

PRESS RELEASE

2016 financial year:

Gothaer strengthens substance and holds good rating results

- Consolidated profit for the year likely up 4.5% to €140 million
- Group equity grows 10.0% to €2,021 million
- Competence leadership in health management: Gothaer wins Corporate Health Award for 4th time
- Property/Casualty insurer starts with cyber-insurance in 2017

Cologne, 13 December 2016 – At today's press meeting on the annual financial statements, Group CEO Dr. Karsten Eichmann is able to present some sound figures: The consolidated profit for the year will probably rise 4.5% to over €140 million. Some of the surplus is going into strengthening the equity base. Group equity grows 10.0% and is likely to be around €2,021 million by the end of the year. The result earned from capital investments will in all likelihood be up 13.4% to €1,375 million. Gross premiums written at Group level – after consolidation of the business model in line with the market – are down 3.0% to €4,380 million.

Rating agencies confirm good results

The international rating agency Standard & Poor's ("S&P" for short) on 10 November confirmed the good rating results for the core companies in the Gothaer Group. The companies are again given an 'A-' with a stable outlook. Analysts praised the strong competitive position of the Gothaer Group, underpinned by its well diversified product and sales portfolio. Also stressed as positive was the fact that the Group, in its value-driven corporate management, was actively working toward developing even more profitable products. "I am pleased that S&P Global Ratings, too, – after Fitch Ratings – has again confirmed our rating results, thus acknowledging our sound capital resources and Gothaer's strong market position with its broad-based diversification," says Eichmann. Here an overview of the results:

	S&P Global Ratings (10.11.2016)	Fitch Ratings (20.09.2016)
Gothaer Allgemeine	A-	A
Gothaer Leben	A-	A
Gothaer Kranken	A-	

Investment: Good investment results

The Gothaer Group is posting good investment results overall in a historic low-interest environment: The Group's net return according to IFRS will probably be 4.8% for the 2016 financial year. In 2016, the duration of interest-based investments was further increased. At the same time, diversification was again extended to include new issuers. The share of investments with an investment-grade rating was upped to 95.7%. Investments in renewable energies were expanded. "On the German insurance market, the Gothaer Group occupies a leading position when it comes to investing in renewable energies – relative to the available investment volume. We have almost reached our target of investing a total of one billion Euros in renewable energies by year's end 2016," sums up Harald Epple, CFO responsible for investments in the Gothaer Group.

Gothaer Allgemeine: Premiums rise, and cyber insurance launch in 2017

Gross premiums written by Gothaer Allgemeine Versicherung AG, at a likely €1,723 million, are 1.2% above the 2015 level. "In 2016, we commenced re-aligning our commercial business. Starting in January 2017, we will be expanding our portfolio for corporate customers by including cyber-insurance. Using various modules, this product can be tailored-to-suit," says Thomas Leicht, CEO at Gothaer Allgemeine, on the planned product launch. Gothaer's cyber-insurance, with its two obligatory modules 'liability' and 'first-party loss', covers the basic risks. These can be supplemented by the facultative modules 'business interruption', 'contractual penalty' – which takes care of credit-card firms' claims in the case of data leaks – and 'extended first-party loss'. Cooperating with selected service providers, Gothaer assumes the complete crisis management. The offering is currently targeting existing customers with sales revenue of at least €5 million.

Renewable energies go on growing

Gothaer Allgemeine has for many years been market leader as insurer of wind farms and was able to further expand this market position in 2016: As at end-October, the Renewable Energies business field posts premium growth of 6.0% in Germany and Europe compared with the previous year. Here, the foreign share is 40%. In France, Italy, Denmark, Greece, Austria and Sweden, double-digit growth rates were obtained.

Gothaer Leben: Realignment of business model systematically implemented

Gross premiums written by Gothaer Lebensversicherung AG will probably fall 7.6% to €1,175 million in 2016. The decline is largely due to single-premium business. Very gratifying developments, by contrast, were reported in new business, which – going by preliminary figures – will earn total premiums of approx. €1.6 million (+4.6%) by the end of the year. The company is focussing systematically on the future-proof, strategic business fields 'biometrics' and 'capital-efficient old-age provision'. In 2016, it was possible to further shape the composition of new business in the desired direction and again lower the new-business share in conventional classic products. "With the launch of Gothaer *Zukunftsvorsorge* (Provision for old age) products in mid-2016, we have crucially driven forward the re-alignment of the business model and have now expanded the new-business share in capital-efficient old-age provision to nearly 40%. A further third is accounted for by biometric products which, with risk gains, are making an important contribution to Gothaer Leben's sound income and

substance situation," sums up Michael Kurtenbach, CEO at Gothaer Lebensversicherung AG and Gothaer Krankenversicherung AG.

Gothaer Kranken: Strong growth in company health insurance

At €821 million, gross premiums written by Gothaer Krankenversicherung AG will probably be 0.9% below the 2015 level. New business grows roughly 8% to €1.30 million in monthly premiums. "2016 has so far been the most successful year for our company health-insurance scheme. We were able to win over big-name customers like Boehringer Ingelheim, TÜV Rheinland and Lindt & Sprüngli," notes a happy Kurtenbach. "I still see great potential here. We've developed an electronic platform that is being used for digital buying syndicates and will further boost the proliferation of company health insurance." Further good news for the company comes from the premium adjustment as per 1 January 2017: The moderate average premium adjustment – well below the market average – in Gothaer Krankenversicherung's entire portfolio stands at 3.41%. A large share of this, however, is accounted for by compulsory long-term nursing-care insurance which, within the scope of Germany's second Act to Strengthen Long-term Care (*PSG II*), is given a definite boost to benefits.

Competence leadership in health management

The special jury of the Corporate Health Award every year honours companies for outstanding performance in company health management (*BGM*). On 18 November 2016, the *BGM* of Gothaer Versicherungen now won the Corporate Health Award for the 4th time. Gothaer again this year occupied the top slot in insurances. The jury praised the well thought-out concept involving low-threshold workplace-centric entry measures, follow-up measures and digital offerings that enable comprehensive reachability and inclusion of employees. The successful concept is being offered to external companies as well via Gothaer's subsidiary MediExpert: Its external customers include, eg, Koelnmesse GmbH, a trade-fair organizer, NEW AG, an energy utility, and Hans Turck GmbH Co. KG, an automation specialist.

Outlook 2017: Cooperation schemes, Group strategy and customer-focussed products

"For the coming years, we see a trend toward an increase in cooperation schemes between insurers. In 2016, Gothaer pointed the way along with three other private health insurers by setting up the joint venture *LM+*, or *Leistungsmanagement* (benefit management), in the area of health insurance. Another milestone is the cooperation started only recently with HUK in commercial business, explains Eichmann.

"In 2017, we will go on working full steam on implementing our 'Gothaer 2020' strategy with which we are porting our business model into the future and aligning the Gothaer Group to the changing requirements and expectations of our customers. The central components of this strategy are digitization coupled with our multi-channel strategy," Eichmann goes on to explain. "For instance, we are working on the digital integration of customers and partners and the revision of our product range, all the way to digitized offers."



**Presse und Unternehmens-
kommunikation**

**Please find a recording of the press talk after 15:00 hrs at
www.youtube.de/mygothaer.**

Your contact

Sabine Essing
Presse und Unternehmenskommunikation
T: +49 / 221/ 308-34534
F: +49 / 221/ 308-34530
Gothaer Konzern
Gothaer Allee 1, D-50969 Köln
E: sabine_essing@gothaer.de

Gothaer in the internet

www.gothaer.de
www.facebook.com/gothaer
www.twitter.com/gothaer
www.youtube.com/mygothaer