The digital direct insurer

DFV Deutsche Familienversicherung AG

Group Annual Report 2023

DEUTSCHE
Familienversicherung

KEY FIGURES (IFRS)

Deutsche Familienversicherung has now been operating in the market for 17 years and has been listed on the Prime Standard of the Frankfurt Stock Exchange since 2018. The following table presents the development of key performance indicators within the Group.[1]

DFV track record	IFRS 4					IFRS 17/9		
€m	2018	2019	2020	2021	2022	2022	2023	Δ 23/22
Income statement								
Revenue	66,5	90,9	114,7	155,2	183,5	110,7	119,5	+7,9%
Profit before tax	-4,1	-5,2	-10,6	-0,8	1,7	6,3	5,6	-11,2%
Combined ratio (%)	108%	117%	119%	114%	101%	92%	92%	+0%-p
Financial position								
Investment portfolio	90,1	121,7	135,1	181,6	180,4	181,2	216,5	+19,5%
Shareholders' equity	59,2	64,5	90,9	85,1	67,2	98,7	104,1	+5,5%
Solvency II ratio (%)	469%	266%	379%	284%	320%	320%	316%	-4%-p
IFRS 17 metrics								
Contractual service margin (CSM)	-	-	-	-	-	67,9	102,9	+51,5%
CSM release	-	-	-	-	-	2,5	4,8	+91,6%
Insurance service margin (%)	-	-	-	-	-	7,3%	7,3%	+0,1%-p
Customers								
Number of policies (in thousands)	431	514	553	574	581	581	576	-0,8%
Revenue per policy (€)	149	192	215	275	318	192	206	+7,7%
Customer benefit (RfB) ratio (%)	3,9%	4,8%	4,5%	9,7%	10,8%	10,8%	15,9%	+5,1%-p
Efficiency								
Average staff number	111	122	150	187	184	184	194	+5,4%
Revenue per staff (€'000)	599	745	765	830	997	602	616	+2,3%
Cost ratio (%)	52%	56%	55%	48%	31%	34%	34%	+0%-p
Stock								
Earnings per share - IAS 33 (€)	-0,36	-0,16	-0,53	-0,12	0,07	0,26	0,28	+8,0%
Average share price (€)	11,96	11,38	20,09	13,09	10,98	10,98	7,83	-28,7%
Market cap (end of period)	155,0	214,8	334,1	152,9	125,5	125,5	97,2	-22,6%

[1] Supplementary information is presented for simplification purposes. The Insurance service margin reflects the ratio between the insurance service result and insurance revenue according to IFRS 17. The Customer benefit (RfB) ratio reflects the relationship between provisions for premium refunds and earned gross premiums (HGB) in health insurance by type of life insurance. For additional disclosures regarding calculation methods, please refer to the following report and the Investor Relations section of the DFV Deutsche Familienversicherung AG website. Due to rounding, this report may contain minor deviations in totals and in calculated percentages.

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Executive Board

Dr Stefan Knoll
Chief Executive Officer
Since 1 April 2007
- Founder -

Dr Bettina Hornung
Chief Information Officer
since 1 June 2023

Ansgar Kaschel
Chief Sales Officer
since 1 April 2023

Dr Karsten Paetzmann
Chief Financial Officer
since 1 February 2021

Marcus Wollny
Until 31 July 2023
Chief Information Officer/
Executive Board Officer

Dear Shareholders,

The 2023 financial year was overshadowed by geopolitical instability. After the Russian invasion of Ukraine in the previous year marked the return of something no one thought possible – war in Europe – the war continued to rage in 2023. On 7 October 2023, this was followed by the attacks on Israel by the Palestinian terror organisation Hamas. The direct effects included and include supply chain disruption, rapidly increased inflation, significantly higher interest rates and greater overall volatility in the markets. We are analysing these developments continuously, as well as potential countermeasures. Overall, our digital business model has proven resilient against these challenges too.

In light of these developments, the Executive Board of Deutsche Familienversicherung and all employees wish to take this opportunity to voice their unequivocal support for Israel's right to exist. Likewise, looking to the domestic political situation, we stand for free democratic basic order and for equality between men and women.

In 2022, as a precautionary measure, we had decided to reduce our overall spending and take the time to restructure our sales. In the 2022 financial year, this included the goal of returning to profitability for the first time since the IPO. Not only did we succeed in this endeavour, but we also maintained the trend in the 2023 financial year and, as announced, increased our profitability.

Furthermore, we were able to generate € 19.3 million in new and repeat business with direct insurance, which was significantly higher than in the previous year and the forecast of € 15.0 million. Our sales successes in 2023 also included further optimisations to our online channels and significantly stronger direct sales. We have also started advertising on TV to help raise awareness of our brand. Business growth in 2023 was also driven by a premium adjustment for the first time in supplementary dental insurance and the implementation of dynamic pricing in supplementary care insurance.

Besides the aforementioned significant investments in sales, we once again intensified our efforts to increase the level of automation in our business processes. Our goal is to digitise the entire *customer journey* for all products. For this purpose, we repositioned Hyrance AG in 2023, so it is now a wholly owned subsidiary of Deutsche Familienversicherung. We incorporate AI-based methods into our business processes there.

Sustainability plays a crucial role at Deutsche Familienversicherung, regardless of any reporting obligations. Our third sustainability report underlines how our actions are heavily influenced by the financial interests of our shareholders, but not exclusively by them. In all honesty, the level of regulation that is now in place, even in connection with sustainability reporting, lacks any sense of proportion and vision. The size-based relief, including reduced reporting obligations, proposed by the European Commission in its Work Programme 2024 with a view to eliminating bureaucracy is not beneficial to insurers like Deutsche Familienversicherung. The German Insurance Association (GDV) criticised it publicly, yet nothing has changed. Overall, national and especially European bureaucracy has grown in scale to the point that it threatens to infringe on constitutional legality.

In this Group Annual Report, we apply the standards IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments) for the first time. The accounting rules may have changed, yet the business model of Deutsche Familienversicherung remains highly attractive to investors and geared towards sustainable profitability. 17 years on, we still have a long way to go and a lot up our sleeves!

Permit me to write a few words about our stock price too. It has halved since the IPO on 4 December 2018. I regret this development emphatically, yet I want to make it very clear that we have done everything right so far. In the same period, our direct insurance revenue – i.e. what we receive in premiums from our customers in a year – have increased by 122 % and our equity has increased by 48 %. Even though we are reporting under the standards of IFRS 17 for the first time, let us take a look at our profit under German HGB. With profit before taxes of € 7.4 million, we have enjoyed the best financial year in the history of our company.

Therefore, on behalf of the Executive Board, I want to thank all employees in particular for their tremendous commitment in the 2023 financial year and you, on behalf of us all, for your trust in Deutsche Familienversicherung, and invite you to continue on down this path with us.

Dr Stefan M. Knoll
Chairman of the Executive Board (CEO)

Frankfurt am Main, 22 April 2024

REPORT OF THE SUPERVISORY BOARD

In the 2023 financial year, the Supervisory Board performed the duties incumbent upon it by law and the Articles of Association. In particular, it continuously monitored the Executive Board in the management of the company and received regular, timely and comprehensive information on the company's business policy, position and development, key financial data and corporate planning by means of written and verbal reports.

The Executive Board informed the Supervisory Board regularly and comprehensively about the entire management team and coordinated the strategic direction and development with the Supervisory Board. The Supervisory Board was thus continuously informed of the intended business and company policies, including financial and staff planning and the condition of the company. The Supervisory Board was directly involved in all decisions that were of fundamental importance to the company. To the extent required by law and the Articles of Association, the Supervisory Board voted on the corresponding proposals of the Executive Board – after thorough examination and consultation.

Throughout the reporting year, the collaboration between the Executive Board and Supervisory Board was open and trusting in all phases.

CHANGES IN THE SUPERVISORY BOARD AND EXECUTIVE BOARD

The Annual General Meeting on 24 May 2023 passed a resolution reducing the Supervisory Board from five to three members. While preparing the new Supervisory Board election in the run-up to the Annual General Meeting, the Supervisory Board concluded that a Supervisory Board with three members is adequate for Deutsche Familienversicherung.

As the Supervisory Board members Dr Ulrich Gauß and Axel Hellmann were no longer running for election to the Supervisory Board, both stepped down from the Supervisory Board at the close of the Annual General Meeting on 24 May 2023. The Annual General Meeting on 24 May 2023 elected Carola Theresia Paschola (a financial expert in the field of accounting within the meaning of section 100, paragraph 5 of the AktG), Georg Glatzel and Luca Pesarini (a financial expert in the field of auditing financial statements within the meaning of section 100, paragraph 5 of the AktG) to the Supervisory Board. At the Supervisory Board meeting following the Annual General Meeting, the Supervisory Board elected Carola Theresia Paschola as the new Chairwoman of the Supervisory Board and Luca Pesarini as Deputy Chairman of the Supervisory Board.

In the reporting year, the Supervisory Board passed a resolution appointing Ansgar Kaschel as Director of Sales and Marketing with effect from 1 April 2023 and Dr Bettina Hornung as Director of IT with effect from 1 June 2023, both with three-year terms ending on 31 March 2026 and 31 May 2026 respectively.

Marcus Wollny stepped down as a member of the Executive Board with effect from 31 July 2023.

TASKS OF THE SUPERVISORY BOARD

From 24 May 2023 onwards in the reporting year, the Supervisory Board consisted of three members (previously five).

A total of six meetings of the Supervisory Board took place on 28 March 2023, 23 May 2023, 24 May 2023, 13 July 2023, 13 September 2023 and 21 November 2023. One Supervisory Board member was unable to attend the three meetings on 28 March 2023, 23 May 2023 and 24 May 2023; all Supervisory Board members took part in the other meetings. All meetings were held in person. Where necessary, the Supervisory Board passed resolutions outside meetings within the meaning of Article 14 (8) of the Articles of Association, usually on topics already discussed at a Supervisory Board meeting.

At all Supervisory Board meetings, the Executive Board reported in detail on current business developments as well as on sales results and current topics. In particular, the existing and new business figures as well as premium development were presented to the Supervisory Board. The company's key indicators and performance, especially in terms of revenue, costs and earnings, were discussed at every meeting. The Supervisory Board was also constantly informed about the solvency and financial position of the company, including net investment income. To this end, the current solvency indicators – such as the risks relevant to the company and risk management as well as the company's own risk and solvency assessment – were discussed.

Furthermore, the Supervisory Board regularly discussed with the Executive Board the premiums and claims payments including claims ratios and reserves, also in relation to industry figures. The Supervisory Board also addressed the Executive Board remuneration system in the reporting year, and is planning to simplify the existing bonus system for Executive Board members.

In its meeting on 28 March 2023, the Supervisory Board approved the audited annual and consolidated financial statements for the 2022 financial year. The auditor was present at the meeting and confirmed that both the annual financial statements and the management report as well as the consolidated financial statements and the group management report for the 2022 financial year were each given an unqualified audit opinion.

The responsible actuary submitted a report and determined that the actuarial opinions for the non-substitutive health and long-term care insurance business conducted by the company could be issued without qualification and that it could be confirmed that the obligations arising from insurance contracts could be met at all times. The Chairman of the Audit Committee also reported on the audit of the annual and consolidated financial statements by the Audit Committee.

Furthermore, the Supervisory Board approved the remuneration report of the Executive Board and Supervisory Board and dealt with corporate governance (including the annual declaration of compliance with the German Corporate Governance Code and ESG issues), the preparation of the Annual General Meeting (including the size and election of the Supervisory Board, taking into account the general composition and the desired profile of skills and expertise of the Supervisory Board), as well as efficiency testing and matters relating to strategy and personnel.

At the Supervisory Board meeting on 23 May 2023, the Executive Board reported on the financial result from the first quarter, the Solvency II results and current business developments, as well as matters relating to strategy and personnel. The Supervisory Board also addressed the SFCR report and the annual reports of the independent risk management function and compliance function for the 2022 financial year, including each of their annual plans for the 2023 financial year.

At the Supervisory Board meeting on 24 May 2023, the Supervisory Board elected Carola Theresia Paschola as the new Chairwoman of the Supervisory Board and Luca Pesarini as Deputy Chairman of the Supervisory Board.

At the Supervisory Board meeting on 13 July 2023, the Executive Board and Supervisory Board discussed current business developments and selected operational, product-specific, financial and IT-specific matters, as well as matters relating to personnel (including the Executive Board remuneration system).

The Supervisory Board also dealt with the awarding of the audit contracts and the determination of the focal points of the audit to the auditor for the 2023 financial year.

At the Supervisory Board meeting on 13 September 2023, the Executive Board presented the semi-annual financial report to the Supervisory Board and reported from the respective departments, including on the acquisition of all shares in Hyrance AG from the former joint venture partner STTech GmbH.

At the Supervisory Board meeting on 21 November 2023, the Executive Board reported on the on-site inspection by BaFin, the status of the expansion of direct sales, current matters relating to IT, the results of the third quarter and the status of current business developments. The Supervisory Board also addressed aspects of the Executive Board's remuneration and matters of corporate governance (including targets for the proportion of women within the company).

At all times, the members of the Supervisory Board themselves were able to perform all tasks efficiently on the board, and to consult and adopt resolutions professionally and properly.

There is no conflict of interest in the person of Supervisory Board member Luca Pesarini, who is a shareholder of the Company and holds mandates in the MainFirst Group (but not directly a mandate at MainFirst Affiliated Fund Managers (Deutschland) GmbH, which acts as asset manager in the context of the Company's capital investment), because Luca Pesarini always has the same interests in each position and these overlap with the Company. In the event of a potential or actual conflict of interest in connection with his supervisory function as a member of the Supervisory Board, measures would be taken to avoid the conflict of interest (e. g. abstention from decision-making).

COMMITTEE TASKS

In the reporting year up to 24 May 2023, the Supervisory Board had an Audit Committee pursuant to section 107, paragraph 4 of the AktG chaired by Dr Ulrich Gauß (Chairman of the Audit Committee and financial expert in the area of auditing financial statements within the meaning of section 100, paragraph 5 of the AktG). The members of the Audit Committee were Carola Theresia Paschola (a financial expert in the field of accounting within the meaning of section 100, paragraph 5 of the AktG) and Georg Glatzel.

Following the reduction in size of the Supervisory Board to three members with effect from 24 May 2023, the duties of the Audit Committee have been performed by the Supervisory Board in accordance with section 107, paragraph 4, sentence 2 of the AktG.

With the exception of the Audit Committee up to 24 May 2023, the Supervisory Board, in consultation with the Executive Board, has refrained from forming specific committees for the 2023 financial year, especially a nomination committee. The company is of the opinion that the formation of such committees represents an unreasonable organisational effort for the company in light of proportionality and that plenary deliberations are more efficient.

In the reporting year, two Audit Committee meetings were held on 17 January 2023 and 27 March 2023. All members of the Audit Committee attended the meetings in person.

The Audit Committee addressed the annual plan, the Solvency II results, the accounting process and the internal controls within the scope of financial reporting, discussed the impacts of the transition to the new accounting regulations IFRS 9 and 17 on the company's accounting processes starting in the 2023 financial year with the Executive Board and heard reports on the status of implementation measures designed to facilitate a proper transition to the new standards.

The Audit Committee also addressed and discussed in detail with the Executive Board, the auditors and the responsible actuary the annual and consolidated financial statements for the 2022 financial year (including the non-financial statement integrated into the management and group management report), the audit reports of the consolidated and annual financial statements for 2022, the key audit matters and the report of the responsible actuary.

The Audit Committee also assessed the quality of the audit activities of the external auditor, dealt with the selection and impartiality of the external auditor and issued a recommendation to the Supervisory Board regarding a proposed resolution for the Annual General Meeting to appoint the auditor of the annual financial statements for the 2023 financial year.

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR 2023

By resolution of 24 May 2023, the Annual General Meeting appointed the auditing company Deloitte GmbH Wirtschaftsprüfungsgesellschaft as the new auditor for the 2023 financial year.

Deloitte GmbH Wirtschaftsprüfungsgesellschaft has audited the annual financial statements which were prepared by the Executive Board, the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) and the management reports for the 2023 financial year, and has issued unqualified audit opinions.

All members of the Supervisory Board have received the annual financial statement documents for the 2023 financial year and the report of the auditor in a timely manner, and thus had sufficient opportunity for acknowledgement and review.

The annual financial statement documents and the audit report were discussed in detail on 24 April 2024 within the scope of the Supervisory Board meeting. The auditor reported on the essential results of the audits and was available to the Supervisory Board to answer questions and provide further information. In particular, the especially important audit facts and the audit activities performed described in the audit opinion were also discussed. The Supervisory Board examined the annual and consolidated financial statements and the condensed management and group management report, including the non-financial statement integrated into the management and group management report, and did not raise any objections.

The Supervisory Board approved the annual and consolidated financial statements of the company on 24 April 2024. The annual financial statements prepared by the Executive Board of the company have therefore been approved officially.

The Executive Board and Supervisory Board prepared the remuneration report in accordance with section 162 of the German Stock Corporation Act (AktG) and the auditor audited the remuneration report.

The Supervisory Board would like to thank the management and all employees of Deutsche Familienversicherung for their great personal commitment as well as their very dedicated work and successes in the 2023 financial year.

For the Supervisory Board

22 April 2024

Carola Theresia Paschola
Chairwoman of the Supervisory Board

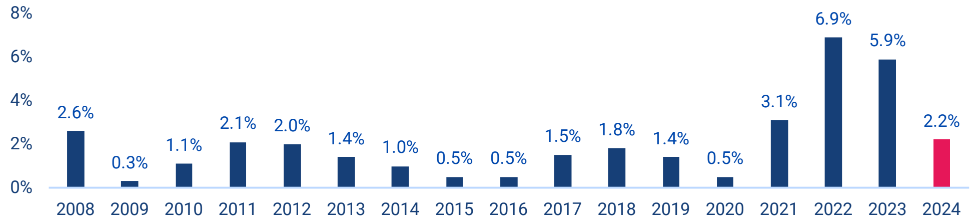
CONSOLIDATED MANAGEMENT RE-PORT

1 ECONOMIC ENVIRONMENT AND SECTOR DEVELOPMENT

According to Eurostat, the statistical office of the European Union, the rate of inflation in the Eurozone was estimated to be 2.9 % for December 2023, which is again slightly higher than in November 2023 (2.4 %). However, this rate of inflation was still at 9.2 % in December 2022. In Germany, the rates were 3.8 % (estimate for December 2023) and 9.6 % (December 2022). On average in 2023, the rate of inflation in Germany was 5.9 % according to Eurostat. The ifo Institute predicted that interest rates would continue to fall to 2.2 % in 2024.

Inflation rate Germany

(Change in consumer prices y-o-y; expectation for 2024)



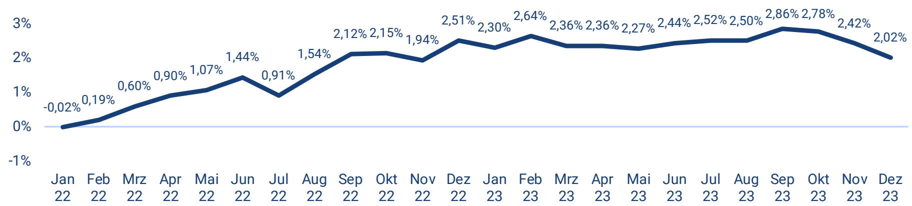
Source: Eurostat; ifo-Institut; Bundesbank

As key interest rates had been raised sharply due to rampant inflation over the past few years, President of the European Central Bank Christine Lagarde predicted in January 2024 that interest rates had peaked and would not rise further without new shocks or unexpected data. She also predicted that interest rates will fall when inflation has been countered successfully and that there is a high degree of certainty that inflation in the Eurozone would actually be 2 %. Even though inflation is now below the level of wage growth, the risk that transport problems in the Suez Canal might lead to price increases arose in early 2024.

The actual interest rates on ten-year German government bonds remained stable over the course of 2023 before falling to 2.02 % at the end of the year. The interest rate on the ten-year German government bonds had been 2.51 % at the end of the 2022, which was a year of sharp interest rate increases.

Interest rates Germany

(Yield of 10Y Bundesanleihe; in %)



Source: Eurostat; ifo-Institut; Bundesbank

Over the course of 2023, the DAX index rose significantly by 20.3 % to 16,751.64 points. This made 2023 the second-best year for the DAX in the last decade.

Regardless of economic developments, demographic trends in particular increasingly stand in the way of a substantial acceleration in employment growth in the labour market. In a time of heightened geopolitical uncertainty with a war being waged in Ukraine and the outbreak of Israel’s defensive war in the Middle East in 2023, share and bond prices can be expected to continue to fluctuate. Overall, however, share volatility decreased significantly over the course of 2023.

Germany's economic growth in 2023 was negative; according to the Federal Statistical Office, its gross domestic product (GDP) decreased by 0.3 % year-over-year. In December 2023, the ifo Institute forecast GDP growth of 0.9 % in 2024 – in an earlier forecast, the institute had predicted growth of 1.4 % for 2024. The ifo Institute expects economic recovery to be delayed, with the current budget deficit posing new risks. If the German government passes consolidation measures to bring the budget in line with the constitution, the ifo Institute expects this forecast to prove too optimistic. In this case, estimates based on the ifo's DSGE (*dynamic stochastic general equilibrium*) model suggest that consolidation measures of € 20 billion, for example, will go hand-in-hand with 0.2 percentage points of lost growth in 2024, which would cause German GDP growth to be just 0.7 %.

The preliminary figures of the German Insurance Association (GDV) show premium income growth of 0.6 % across all segments of the German insurance industry in the 2023 financial year (2022: decline of 0.7 %). According to the GDV, property/casualty insurance recorded growth in premiums of 6.7 %. The private health insurance segment grew by 2.3 % in 2023, while life insurance and pension funds recorded a decrease in premiums of 5.2 % (source: GDV).

In light of rising nominal wages and declining inflation, German insurers expect premium growth of 3.8 % in 2024. The GDV expects property/d casualty insurance to experience growth in premiums of 7.7 %. The GDV did not have a specific 2023 forecast relating to health insurance – especially supplementary health insurance – which is also relevant to Deutsche Familienversicherung, at the time the report was prepared.

Deutsche Familienversicherung closely monitors both forecast and actual macroeconomic and sector developments on an ongoing basis, as these can bring both risks, such as in the form of rising claims expenditure due to inflation, and opportunities to the market.

2 OVERVIEW OF THE COURSE OF BUSINESS

2.1 Reporting and performance indicators

Deutsche Familienversicherung has been reporting its business results in accordance with the new accounting standards IFRS 17 and IFRS 9 since 1 January 2023. For the sake of improved comparability, the figures for the previous year have also been calculated in accordance with these new standards and are therefore not comparable with the Annual Report for 2022. Further disclosures relating to this can be found in the notes.

The following table presents the key performance indicators on a Group level.

Key performance indicators

in € million	2023	2022	Delta
Current premiums for one year (management information indicator)	195.9	187.8	+4.3%
New business current premiums for one year (management information indicator)	19.3	16.6	+16.3%
Insurance revenue	119.5	110.7	+7.9%
Insurance service result (operating income)	8.8	8.0	+9.0%
Combined ratio in %	92.4%	92.3%	+0.1 pp
Consolidated income before tax	5.6	6.3	-11.2%
Total comprehensive income	5.5	4.6	+18.8%
Earnings per share under IAS 33 (€)	0.28	0.26	+8.8%

2.2 Course of business

The 2022 financial year was still characterised by the coronavirus pandemic, which was abating by the end of the year, and Russia's invasion of Ukraine, which began on 24 February. The digital business model of Deutsche Familienversicherung has proven resilient in the face of the resulting challenges, which took the form of supply chain disruption, a sharp rise in inflation and significantly higher interest rates in particular. The high degree of automation that had already been achieved in the digital business model paid off. However, this was tempered by the continuous decrease in Deutsche Familienversicherung's share price.

The 2023 financial year was overshadowed by the ongoing invasion of Ukraine and the attack on Israel by the Palestinian terror organisation Hamas on 7 October 2023, with all of its consequences. Deutsche Familienversicherung had to analyse the direct impacts, including inflation, rising interest rates and market volatility, and take corrective action where necessary. Nevertheless, the impact on the business model of Deutsche Familienversicherung remained manageable.

In the 2023 financial year, the volume of new and repeat business with direct insurance was € 19.3 million (previous year: € 16.6 million). As such, this amount greatly surpassed expectations for 2023, which forecast current premiums of € 15.0 million for one year. Our sales successes in 2023 included the continued optimisation of our online channels, resulting in significantly stronger direct sales. All sales channels are supported by TV advertisements that also serve to raise awareness of Deutsche Familienversicherung's brand. Business growth in 2023 was also driven by a premium adjustment for the first time since its launch in supplementary dental insurance and the implementation of dynamic pricing in supplementary care insurance. In the 2023 reporting year, the total portfolio of Deutsche Familienversicherung increased by 4.3 % to € 195.9 million in current premiums for one year.

On the process side, further investments were made in automation in the financial year. Our customers' ability to sign up on the digital customer portal of Deutsche Familienversicherung, manage their policies, update their own master data, view documents and file claims is being improved and refined continuously. The aim is to digitally map the entire customer journey in all products. To support this, Deutsche Familienversicherung also restructured Hyrance AG in 2023. This company is now a wholly owned subsidiary of Deutsche Familienversicherung with headquarters in Frankfurt am Main, and has begun its work. Hyrance AG is tasked with optimising the digitisation of all processes at Deutsche Familienversicherung and integrating artificial intelligence and other types of automation through robotics.

The existing portfolio of insurance contracts in primary insurance decreased slightly by around 4,700 (0.8 %) from 581,000 at the end of the previous year to 576,300 at the end of 2023. This decrease was largely driven by the expected erosion of electronics insurance, the portfolio of which is in run-off. All in all, therefore, more than half a million customers continue to place their trust in Deutsche Familienversicherung.

Insurance revenue, introduced under IFRS 17, increased by 7.9 % year-on-year to € 119.5 million in the 2023 financial year. The supplementary health (+6.8 %), property/casualty (+0.3 %) and pet health (+24.9 %) reporting segments contributed to this growth.

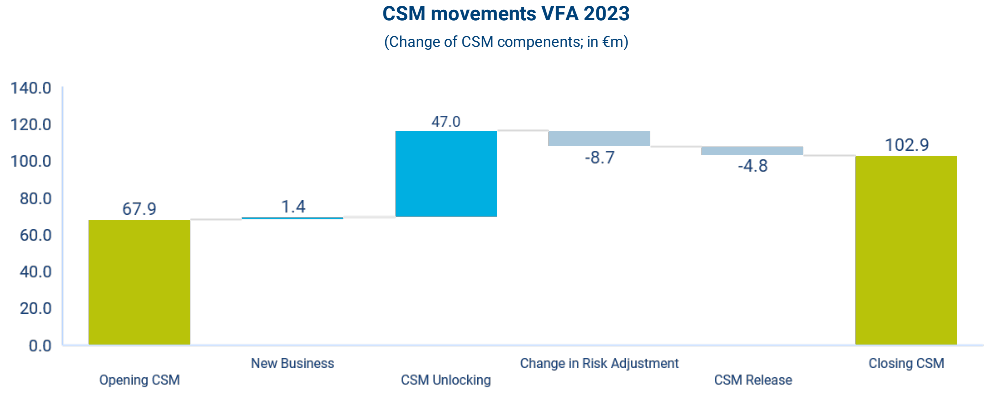
Deutsche Familienversicherung became the reinsurer of the CareFlex Chemie Group back in 2021. This active reinsurance business continued as planned in 2023. According to the reporting logic of IFRS 17, it is not a matter of the premium income in insurance revenue, but rather solely the earnings contribution of the miscellaneous reporting segment, which was € 0.75 million in 2023, as in the previous year.

2.3 Supplementary health reporting segment

In the supplementary health reporting segment, insurance revenue rose by 6.8 % to € 101.4 million in the 2023 financial year. Besides new business through the established sales channels of Deutsche Familienversicherung, this business growth was driven by a premium adjustment in supplementary dental insurance and the implementation of dynamic pricing in supplementary care insurance.

In supplementary dental insurance, which dominates this reporting segment in terms of turnover, the portfolio of contracts increased by 5.6 % to € 95.0 million in current premiums for one year in the 2023 financial year. In the second-largest portfolio of contracts in the segment, supplementary care insurance, the volume of business rose by 10.6 % to € 33.2 million in current premiums for one year in 2023. Whereas supplementary dental insurance, as supplementary health insurance by type of non-life insurance, is valued using the *premium allocation approach (PAA)* under IFRS 17 due to its contractual limit, Deutsche Familienversicherung uses the *variable fee approach (VFA)* to value supplementary care insurance contracts with participation features.

Therefore, an element of insurance revenue under IFRS 17 is also the earnings contribution from the amortisation of the contractual service margin (CSM) of the insurance contracts measured using the VFA, which include supplementary long-term care (LTC) insurance as well as the other contracts calculated by type of life insurance.



The entire CSM, which contains unrealised future profits, was € 67.9 million as at the end of the 2022 financial year and the start of the 2023 financial year. In the 2023 financial year, the CSM rose by € 1.4 million due to *new business*. The key change in the CSM in the 2023 financial year was determined by *CSM unlocking* in accordance with IFRS 17.45(b). Besides changes in estimates, *CSM unlocking* represents the change to the shareholders' share of the fair value of the underlying item within the CSM; in this respect, this change leaves the income statement and the revaluation reserves in other comprehensive income (OCI), and therefore also consolidated equity, neutral. This change was € 47.0 million in the 2023 financial year. On the other hand, effects resulting from the *change in risk adjustment* lowered the CSM by € 8.7 million in 2023. Finally, a € 4.8 million share of the CSM of the contracts covered by the VFA was amortised in the 2023 financial year and recognised in profit or loss as part of the insurance revenue. At € 4.8 million in 2023, this *CSM release* was 91.6% higher than in the previous year (€ 2.5 million) because, unlike the previous year, the 2023 financial year was no longer affected by significant unrealised fair value losses due to rising interest rates. Overall, the CSM of the contracts covered by the VFA increased by € 35.0 million to € 102.9 million in 2023 (previous year: CSM declined by € 49.5 million to € 67.9 million).

The acquisition costs of the supplementary dental insurance contracts measured using the PAA are capitalised and amortised as acquisition costs over the term of the contracts. As the operating income of the supplementary health reporting segment, the insurance service result increased by 12.0 % to € 12.4 million in the 2023 financial year. Overall, the supplementary health insurance business of Deutsche Familienversicherung has performed well again. Its growth was above the market average – according to the GDV, the growth of private supplementary health insurance overall was 5.1 % in 2021 – and the operating income was 12.0 % higher.

Supplementary health segment – key performance indicators

in € million	2023	2022	Delta
Current premiums for one year (management information indicator)	143.4	134.9	+6.3%
Earnings contribution from the amortisation of the CSM	4.8	2.5	+91.6%
Insurance revenue	101.4	94.9	+6.8%
Insurance service result (operating income)	12.4	11.1	+12.0%

2.4 Property/casualty reporting segment

In the property/casualty (P/C) reporting segment, which does not include pet health insurance, gross premiums increased by 0.6 % to € 5.8 million in the 2023 financial year. The insurance revenue of these contracts, which are all measured using the PAA in accordance with IFRS 17, increased by 0.3 % to € 6.1 million in the same period. The loss ratio increased to 30.4 % in the reporting year, compared to 17.3 % in 2022. Overall, the losses in this segment remained within the actuarially expected range in the reporting period. In particular, there were no indications of unprofitable contracts in the financial year. The combined ratio in this reporting segment increased from 54.8 % in 2022 to 88.0 % in 2023.

Property/casualty segment – key performance indicators

in € million	2023	2022	Delta
Gross premiums written (according to HGB)	5.8	5.7	+0.6%
Insurance revenue	6.1	6.1	+0.3%
Loss ratio	30.4%	17.3%	+13.1 pp
Combined ratio	88.0%	54.8%	+33.2 pp

2.5 Pet health reporting segment

The pet health segment contains pet health insurance contracts, which is a line of property/casualty insurance that Deutsche Familienversicherung has been operating in Germany since 2019 and in Austria since 2021. This reporting segment achieved above-average premium growth of 24.4 % in 2023. In 2023, insurance revenue according to IFRS 17 rose by 24.9 % to € 11.2 million. The loss ratio rose slightly from 65.6 % in 2022 to 68.4 % in 2023. One key driver of the German pet health insurance market was the adjustment of the schedule of fees for veterinarians (known as the GOT) in late 2022, for which Deutsche Familienversicherung effected an adjustment of premiums in its business with new and existing customers in the reporting year, with effect from 1 January 2024. Overall, the claims payments in this segment remained within the actuarially expected range in the reporting period. There were no indications of unprofitable contracts in the financial year.

The reporting segment has a high cost burden resulting from the commencement of business with high rates of growth, especially with regard to the acquisition costs. The acquisition costs of all the contracts measured using the PAA are capitalised and amortised over the term of the contracts (IFRS 17.28C). Deutsche Familienversicherung has implemented cost reduction measures that caused the combined ratio to decrease by 36.3 percentage points in the 2023 financial year. Cost management remains an important element of Deutsche Familienversicherung's strategy to improve efficiency, which has not yet achieved the desired economies of scale in this reporting segment, although significant resources were invested in the 2023 reporting year to raise awareness of the brand through TV advertising.

Pet health segment – key performance indicators

in € million	2023	2022	Delta
Gross premiums written (according to HGB)	11.3	9.1	+24.4%
Insurance revenue	11.2	9.0	+24.9%
Loss ratio	68.4%	65.6%	+2.8 pp
Combined ratio	148.2%	184.5%	-36.3 pp

2.6 Insurance service result (operating income)

Insurance benefits rose by 10.2 % overall from € 61.1 million in 2022 to € 67.3 million. At 58.2 %, the loss ratio remained unchanged compared with the 2022 financial year (58.2 %). With the switch to IFRS 17, Deutsche Familienversicherung capitalises some acquisition costs paid and subsequently amortises them over time. These amortisation amounts resulting from the (also retrospective) capitalisation of acquisition costs increased slightly by 2.2 % from € 18.8 million in 2022 to € 19.3 million in 2023.

Due to factors including the continued growth in business, other operating expenses rose by € 3.3 million in absolute terms in the reporting period to € 20.3 million. This goes hand-in-hand with a relative increase in these expenses, which caused the administrative cost ratio to rise from 16.2 % in 2022 to 17.6 % in 2023. Essentially, this was caused by expenses in connection with raising awareness of the brand through TV advertising, which is expected to have a positive influence on business in the medium and long term. The continued systematic implementation of the cost reduction programme, which began in 2021, with a particular focus on material costs (Opex) did not fully negate this relative rise in 2023.

The expenses from reinsurance contracts held decreased significantly by € 1.9 million to € 3.8 million because Deutsche Familienversicherung was able to participate in the favourable development of business in supplementary health insurance on a gross level through profit-sharing in reinsurance contracts.

The insurance service result, as operating income under IFRS 17, increased by € 0.7 million or 9.0 % to € 8.8 million in the 2023 financial year. Through systematic cost management and strategic spending on sales, Deutsche Familienversicherung was able to generate and further increase its highly positive operating income in the 2023 financial year, as in the previous year.

The combined ratio was 92.4 % in 2023 and was therefore slightly higher than in 2022 (92.3 %). The target set by Deutsche Familienversicherung of keeping the combined ratio below 100.0 % was therefore also achieved under the new accounting regime in 2023 (as in 2022).

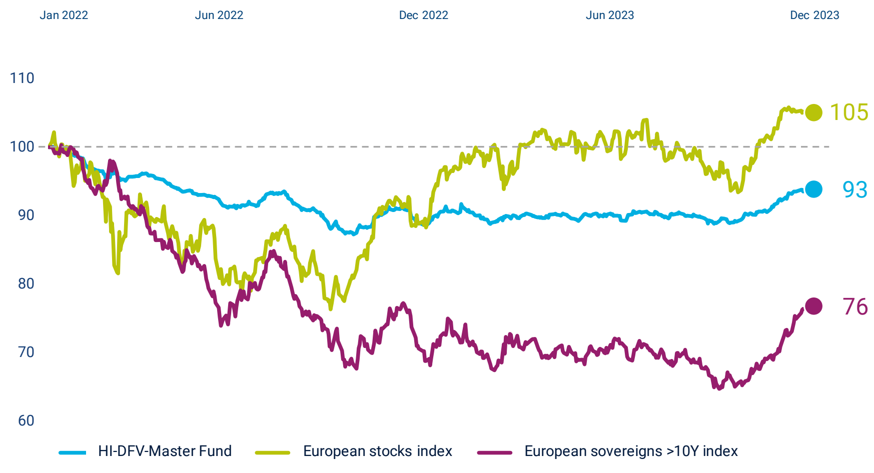
2.7 Net financial result

The investment portfolio of Deutsche Familienversicherung AG is in two special funds, which are fully consolidated in the financial statements of Deutsche Familienversicherung. Total assets increased by € 35.3 million or 19.5 % from € 181.2 million to € 216.5 million at the end of the financial year 2023. The increase is mainly due to the planned contribution of the life insurance business to the financing of the cover provision.

The market value decreases at the balance sheet date were analysed and are due almost exclusively to the increase in market interest rates. These market value depreciations have been analysed and are almost fully justified by the increasing market interest and will be offset over the maturity of the bonds, so that there is no permanent depreciation of the securities. Compared to the beginning of 2022, the market value of the HI-DFV Master Fund and the securities of the fund that holds Deutsche Familienversicherung's hedge assets decreased to 93 % at the end of 2023. The chart below compares the development of the market value of hedging assets since the beginning of 2022 with the development of the market values of European equities (+5 %) and European government bonds with a residual maturity of more than 10 years (–24 %).

Market value of investments compared

(2022–2023; indexed 01.01.2022=100)



Source: Bloomberg,Deutsche Bundesbank

In the 2023 financial year, the capital investments in the guarantee assets once again generated the average actuarial interest rate for the portfolio of health insurance by type of life insurance. The net interest according [2] to section 19 of the German Calculation Regulation (KVAV) was 2.4 % in 2023 (previous year: 2.4 %).

The income from capital investments calculated for the first time in this consolidated report in accordance with IFRS 9 takes account of the fact that the unrealised changes in market value of certain financial instruments, classified as fair value through profit or loss (PVTPL), are recognised as investment income or expenses in the income statement. At € 2.1 million, the income from capital investments in the 2023 financial year was significantly better than in the previous year (€ 1.1 million).

The net financial result also comprises insurance finance income, which was newly introduced by IFRS 17 and consists of a correction of components of the investment result that are attributable to policyholders through surplus interest or profit participation features. The insurance finance income also reflects changes in mathematical, especially interest-related input factors with regard to portfolios valued using the VFA in application of IFRS 17. In the financial year, changes in interest rates caused the insurance finance income to decrease by € 1.3 million to € -2.2 million. Overall – after netting the insurance finance income from insurance contracts issued and from reinsurance contracts held in accordance with IFRS 17 – the net financial result came to € -0.2 million in 2023, compared with € 0.2 million in the previous year.

2.8 Consolidated net income

Other comprehensive income, which does not contain earnings components attributable to business operations, was € -3.1 million in 2023 compared to € -2.0 million in 2022. One key driver of this change was one-off expenses of € 0.6 million in connection with restructuring in 2023.

Deutsche Familienversicherung closed the 2023 financial year with pre-tax profit of € 5.6 million (2022: € 6.3 million). After offsetting taxes, this results in earnings after taxes of € 4.2 million for 2023 (2022: € 3.9 million). After accounting for unrealised changes in fair value, the comprehensive income for the 2023 financial year (FVOCI) is € 5.5 million (2022: € 4.6 million).

Essentially, the development of earnings in the reporting period is initially characterised by the fact that the insurance service result, as operating income under IFRS 17, improved year-over-year. At the same time, cost management measures (Opex) continued to be implemented, yet they were unable to fully negate the significant increases in sales-related investments to advertise the company's brand or one-off expenses for restructuring purposes. Nevertheless, with consolidated income before tax of € 5.6 million, Deutsche Familienversicherung has been able to surpass its communicated guidance for 2023 of € 3–5 million. Although the income before tax in 2023 was slightly below the level of the previous year, the annual result after taxes (+8.0 %) and the comprehensive income under IFRS (+18.8 %) increased year-over-year.

2.9 Reinsurance

Deutsche Familienversicherung uses passive reinsurance for risk control. Essentially, the reinsurance schemes consist of proportional cover where reinsurers take on fixed rates of business with new and existing customers. Individual non-proportional excess-of-loss reinsurance contracts are also concluded. Deutsche Familienversicherung has reached a size where it possesses sufficient financial resources to no longer have to pre-finance sales through reinsurance. The company is continuously monitoring the extent to which it is necessary to adjust the terms of reinsurance cover and the reinsurance shares in its business, in order to support the development of business in the best way possible. At the start of the 2023 financial year, new pet health insurance business was separated from the previously underwritten proportional reinsurance

[2] Kennzahl aus HGB Rendite des Spezialfonds Sicherungsvermögens Krankenversicherung nach Art der Lebensversicherung

(which continues to exist for the portfolio of contracts in this segment). With effect from 1 January 2024, Deutsche Familienversicherung scaled back its passive reinsurance further to reflect the financial stability of the company.

2.10 Financial position and consolidated equity

The financial position of Deutsche Familienversicherung continues to be significantly shaped by the growth in ageing provisions (*Alterungsrückstellung*) typical of the business model (especially for supplementary long-term care insurance), which must be backed by investments in separate guarantee assets in accordance with section 125 of the German Insurance Supervision Act (VAG). The IFRS 17 accounting regime reflects this logic, which includes a legally standardised minimum participation of policyholders in surpluses, within the VFA valuation model.

Total investments increased by € 35.3 million or 19.5 % year-over-year, from € 181.2 million as at 31 December 2022 to € 216.5 million as at 31 December 2023. The liabilities from insurance contracts issued increased by € 31.7 million to € 156.4 million in the reporting year, due largely to an increase in the CSM (for details, please refer to the disclosures above concerning the supplementary health reporting segment).

Intangible assets amounted to € 6.0 million as at the reporting date (previous year: € 6.0 million). Changes within this line item essentially result from scheduled depreciation of the contract management system BSN, in the development of which further investments have been made. The additions in the financial year concerned software, including in connection with the implementation and configuration of accounting systems under IFRS 17.

Consolidated equity increased by € 7.4 million or 5.5 % to € 104.1 million compared to 31 December 2022.

Key indicators regarding the financial position

in € million	31.12.2023	31.12.2022
Total assets	300.5	256.4
Equity	104.1	98.7
Investments	216.5	181.2
Liabilities from insurance contracts issued	156.4	124.7
- therein: Contractual service margin (CSM)	102.9	67.9

With an SCR coverage ratio well above both legal and internal requirements, Deutsche Familienversicherung remained comfortably solvent in the 2023 financial year. Deutsche Familienversicherung was able to meet its payment obligations at all times in the reporting period. There are no indications that this ability will be at risk in future.

2.11 Liquidity and financing

The liquidity management of Deutsche Familienversicherung is based on rules adopted by the Executive Board. The cash and cash equivalents for current business activities originate from premium income, collected reinsurance receivables, investment income and proceeds from mature or sold capital investments. These resources are mainly used to cover claims arising from P/C insurance and the related expenses, benefits from supplementary health insurance contracts, acquisition expenses and operating costs of Deutsche Familienversicherung. The majority of the premiums is received via monthly direct debits – before payments for claims or benefits mature. The savings components of the contracts calculated by type of life insurance are allocated to the guarantee assets based on the inflow of premiums and in keeping with the underlying calculation bases. Furthermore, the insurance business gives rise to a cash flow that we are able to invest in order to generate investment income in the meantime. Besides liquid assets that can be liquidated in order to pay claims, we predominantly hold investments with fixed interest rates that normally mature at a time when the corresponding funds are expected to be needed (matching maturities as part of asset and liability management).

Inter alia, the total liquidity depends on market performance, interest rates and the opportunities to sell parts of the investment portfolio at fair value in order to satisfy insurance claims and benefits. The finance function bears main responsibility for managing the need for finance and submits corresponding proposals to the Executive Board in good time. Deutsche Familienversicherung ensures that the parent company and subsidiaries alike possess sufficient liquidity and capital.

Consolidated statement of cash flow

The net cash inflows from operating activities amounted to € 28.5 million in the 2023 financial year (previous year: € 44.2 million). The decrease is primarily the result of changes in the actuarial balance sheet items (2023: € 19.0 million; previous year: € 27.6 million) and is essentially due to insurance business (benefits and costs).

Once again, the net cash outflows from investing activities concern the expansion of Deutsche Familienversicherung's investment portfolio in the amount of € 24.2 million (previous year: € 26.9 million) as well as other investments in assets totalling € 11.6 million, of which € 9.6 million is from lease obligations (previous year: € 0.4 million).

In the reporting period, the net cash inflows from financing activities amounted to € 9.1 million, comprising € 9.6 million from lease obligations less € 0.4 million in repayments (previous year: € 0.0 million). Furthermore, Deutsche Familienversicherung acquired € 88 thousand in non-controlling interests.

The cash reserves and other cash equivalents totalled € 8.2 million as at the end of the 2023 financial year, compared to € 11.5 million in late 2022.

More information is available in the consolidated statement of cash flow.

2.12 Summary of the overall statement on the situation of the Group

The consolidated profit before taxes, calculated in accordance with the new accounting standards IFRS 17 and IFRS 9 that have been in effect since 1 January 2023, is € 5.6 million. Calculated under these new standards too for the sake of better comparability, the consolidated profit before taxes in the previous year was € 6.3 million. Earnings development was caused by the following factors in the financial year:

- In the 2023 financial year, the volume of new and repeat business with direct insurance was € 19.3 million (previous year: € 16.6 million). As such, the acquired new business greatly surpassed expectations for 2023, which forecast new business with current premiums of € 15.0 million for one year.
- Insurance revenue according to IFRS 17 rose by 7.9 % to € 119.5 million.
- At 58.2%, the loss ratio remained unchanged compared with the 2022 financial year (58.2 %).
- Operating income proved resilient, increasing by 9.0 % to € 8.8 million in 2023.
- Cost management measures (Opex) continued to be implemented, yet they were unable to fully negate the significant increases in sales-related investments to advertise the company's brand as well as one-off expenses for restructuring purposes.
- In this context, the consolidated income before tax decreased slightly from € 6.3 million in 2022 to € 5.6 million in 2023.
- In contrast, the consolidated income after tax (€ 4.2 million) was higher than in the previous year (€ 3.9 million).

Taking into account the tax effects and the income/expenses recognised directly in equity resulting from unrealised changes in the fair value of bonds held, the comprehensive income for the financial year is € 5.5 million, which represents an 18.8% increase year-over-year (2022: € 4.6 million).

The financial position of Deutsche Familienversicherung remained stable as a result of the positive course of business. Equity on the consolidated balance sheet rose by € 5.4 million to € 104.1 million as at the end of 2023. The regulatory equity requirements were clearly met in the reporting year; the solvency ratio was 316 % as at the end of the financial year.

Deutsche Familienversicherung met all its payment obligations in the financial year. When the Annual Report was prepared, no evidence existed that the Group's ability to meet all its payment obligations in the future would be impaired.

3 OPPORTUNITY AND RISK REPORT

3.1 Risk management and risk structure

The core business of Deutsche Familienversicherung involves taking on risks and then identifying, analysing and continuously monitoring them. Risk management at Deutsche Familienversicherung aims to identify product and contractual risks at an early stage, to monitor them and, ultimately, to manage them in a systematic manner. Active risk management is carried out by the Executive Board and all managers. Department heads routinely report to the member of the Executive Board responsible for their department, or the Executive Board, about the current course of business, including from a risk perspective.

One key element of Deutsche Familienversicherung's risk strategy is the use of solvent reinsurance undertakings with excellent creditworthiness by means of pro-rata risk assumption and flexibly expandable cover for major losses and natural catastrophes. There is also annually adjusted insurance cover for loss of revenue or business interruptions, business liability, commercial buildings and inventory, and cyber risks.

In accordance with the Solvency II Framework Directive 2009/138/EC and Delegated Regulation 2015/35, compliance with the solvency and minimum capital requirements is reported to the supervisory authority on a quarterly basis. In the process, the risk is calculated using the standard formula prescribed by the regulations. Additionally, an internal own-risk and solvency assessment (ORSA) process exists as part of pillar 2. This so-called regular ORSA process is carried out annually at least. For one, the ORSA process of Deutsche Familienversicherung requires the appropriateness of the assumptions in the standard form to be examined and the risk profile analysed. The Executive Board plays an active role in this. The solvency ratio as at 31 December 2023 remained far above the legal requirements and the company-specific minimum coverage ratio.

Deutsche Familienversicherung has a limit system in place to control the risk positioning of the company and Group. Limits have been derived for individual risk categories on the basis of risk tolerance and eligible own funds.

Deutsche Familienversicherung has an independent risk control unit (IRCU) that is tasked with the continuous, independent and objective implementation and development of the risk management system of the company. The principle of proportionality is applied when designing the IRCU and the risk management system.

The opportunities and risks of Deutsche Familienversicherung can be categorised as follows:

- Underwriting opportunities and risks;
- Bad debt risks;
- Opportunities and risks from capital investments;
- Operational risks;
- Liquidity risks;
- Reputational risks;
- Strategic opportunities and risks.

3.2 Underwriting opportunities and risks

As part of risk management, the identification, assessment and control of underwriting risks naturally plays a key role.

— Premium and reserve risk
The main risk in the insurance segments in operation by type of non-life insurance is the premium and reserve risk. This means that, from the premiums calculated in advance, contractually fixed claims payments are to be made in the future,

the amount of which is not known with certainty when the premiums are fixed. On the other hand, the claims expenditure to be paid may be higher than expected at the time of claim notification.

— Cancellation risk
The cancellation risk is the negative change in the amount or volatility of the rates of cancellation and termination of insurance contracts.

— Life underwriting risk
The risks of health insurance by type of life encompass mortality, longevity, cancellation, morbidity and cost risks. Deutsche Familienversicherung uses INBV, which is a well-established inflation-neutral valuation procedure in the German insurance industry, to calculate them.

Overall, Deutsche Familienversicherung mitigates these risks through the risk-sensitive calculation of premiums, a targeted underwriting policy and stringent underwriting guidelines.

As part of its ongoing monitoring of the profitability of the insurance portfolio, Deutsche Familienversicherung continuously reviews whether there is a need to adjust premiums. With regard to supplementary health insurance tariffs that are calculated by type of life insurance, the comparison between actual and calculated claims payments is taken into account alongside current benefit trends.

As part of systematic portfolio controlling, Deutsche Familienversicherung ensures an appropriate ratio of premium income to claims and benefit expenses. Deutsche Familienversicherung protects itself against the effects of the claims and performance risk by concluding suitable proportional reinsurance contracts, particularly in the supplementary health insurance segment. In addition, non-proportional reinsurance contracts for the segments of foreign health insurance, accident, household, liability and legal expenses exist, under which the own share of the benefit obligations for each risk, each policy and each event exceeding a specified priority have been assigned. The non-proportional reinsurance contracts include the option of multiple reinstatement of reinsurance covers.

The further expansion of the insurance portfolio and the associated strengthening of the company's net assets, financial position and earnings situation will continue to provide the opportunity to selectively reduce the ratio of proportional reinsurance in order to fully capture the positive underwriting results. As part of this, cost degression effects that will then have a positive effect on product design and business results can be realised.

3.3 Risks from the default of receivables

Counterparty default risks exist due to payment default on behalf of policyholders as well as due to commission refund claims against insurance brokers. The risk of default of commission refund claims is adequately countered by sufficient cancellation reserves and cancellation liability periods. The receivables from policyholders are reviewed on an ongoing basis for impairment, and receivables which are questionable and past due are revalued. This risk potential can be well controlled by means of the ongoing review of the composition and age structure of outstanding receivables as well as proven collection processes. Counterparty default risks also arise from negative changes in creditworthiness or the unexpected default of issuers or counterparties. For example, this encompasses derivative items, bank balances and reinsurance contracts. Derivatives are only used to hedge against market risks. Reinsurance contracts are concluded to hedge against underwriting risks, in which regard they make a key contribution to risk reduction. Only reinsurers with excellent creditworthiness can potentially become counterparties. Due to the excellent creditworthiness of the deposits with banks, their default risk is considered extremely low.

The counterparty default risk is low overall, given the overall context of the existing receivables structure.

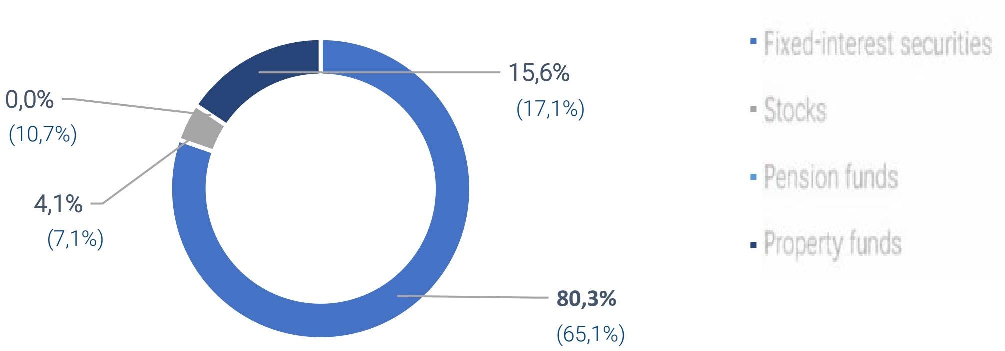
3.4 Opportunities and risks from capital investments

The risks from capital investments include losses resulting from a disadvantageous change in the fair values of assets, liabilities and other financial instruments.

As part of asset and liability management, the assets side is brought into line with the non-current liabilities on the liabilities side, which serves to reduce the level of risk. Additionally, the company has a limit system in place to limit individual market risk categories.

As at 31 December 2023, the market value of the investment portfolio was € 216.5 million (previous year: € 181.2 million). Of the capital investments, 80.3 % are fixed-interest securities, 15.6 % are real estate funds and 4.1 % are equity funds. The remaining funds are cash in hand. Exchange-traded options and futures can also be used to control and hedge against market price risks in connection with capital investments.

COMPOSITION OF THE INVESTMENT PORTFOLIO



Changes in share prices and their volatility are defined as equity risks. An assumed 10 % fall in the stock market would lead to a loss of € 0.9 million (as at 31 December 2023). The interest rate risk describes changes in the yield curve. If the yield curve were to rise by 100 basis points, this would lead to a loss of € 10.4 million in the investment portfolio (as at 31 December 2023). The real estate, exchange rate, spread, default and market concentration risks are other sub-risks in the field of capital investments.

Fund	Investment class	Assumption	Change in market value in € thousand
HI DFV Master Fund	Fixed-interest securities	Interest rise by 100 BP	-6,926
HI DFV Master Fund	Fixed-interest securities	Interest fall by 100 BP	+7,695
HI DFV Master Fund	Stocks	Price increase of 10%	+106
HI DFV Master Fund	Stocks	Price decrease of 10%	-106
HI DFV Master II Fund	Fixed-interest securities	Interest rise by 100 BP	-3,445
HI DFV Master II Fund	Fixed-interest securities	Interest fall by 100 BP	+3,922
HI DFV Master II Fund	Stocks	Price increase of 10%	+778
HI DFV Master II Fund	Stocks	Price decrease of 10%	-778

Essential principles of the investment policy, such as the stipulation that the fund assets may only be invested on regulated markets and primarily in OECD countries, are established accordingly. The investment policy is continuously reviewed and determined by the investment committee appointed by Deutsche Familienversicherung. In the investment committee, the Executive Board of the company, together with the investment manager and the fund manager, verifies and adjusts the risk, duration and return development of the funds and stipulates to the fund manager in writing fixed rules on permissible asset classes (e.g. derivatives for hedging purposes only), distribution and concentration limits as well as investment specifications. These investment guidelines must be checked ex-ante by the fund manager and ex-post by the asset management company before entering into an investment transaction. The total durations in the individual investments of securities in the funds are determined in line with asset/liability management.

Deutsche Familienversicherung pursues a strategy of active investment. Deutsche Familienversicherung can participate in positive market price developments through income from free assets in particular, and in doing so consolidate and improve its earnings and asset positions.

3.5 Operational risks

The operational risk denotes the risk of losses due to inadequate or failed internal processes or even incidents caused by employees, systems or external factors.

All operational risks are documented by a risk inventory. In order to reduce these risks, Deutsche Familienversicherung has an internal control system that is adequate for the size of the company, as well as a contingency plan if the risk should arise.

The company has adequate insurance cover in order to reduce the potential impacts of operational risks. Insurance cover is reviewed annually and adjusted if necessary. There is, inter alia, insurance cover for loss of revenue or business interruptions, business liability, commercial buildings and inventory, and cyber risks.

Deutsche Familienversicherung counters employee risks with an active internal control system (ICS) with clearly defined responsibilities and controls. For example, these involve spot checks and the appropriate application of the four-eyes principle. In addition, the internal audit department checks systems, procedures and individual cases independently of processes.

As part of the outsourcing of IT operations, Deutsche Familienversicherung benefits from the high levels of security and functionality of the service providers in question. Their geographically separated systems, some of which are redundant by design, ensure that operation can be resumed in the event of a disaster.

The IT security processes and measures are based on DFV's information security management system (ISMS). This system is managed and its implementation controlled by the information security officer at DFV. To ensure that cyber risks are monitored continuously, DFV has transferred elements of its IT security operations (Security Operation Centre and Security Information and Event Management) to an external service provider. Use of the latest security technology improves reliability in terms of the availability, confidentiality, integrity and authenticity of the data processed by DFV.

Legal risks can result in particular from changes in the legal framework (laws and jurisdiction), from changes in official interpretations and from changes in the business environment. To avoid legal risks, the company has a decentralised compliance organisation. The key compliance function is responsible for the identification and analysis of legal risks, the development of risk-limiting measures and the implementation of control procedures.

As a result of the stock exchange listing, Deutsche Familienversicherung is subject to the provisions applicable to capital-market-oriented companies. These include in particular – but are not limited to – regulations on ad hoc publicity, the maintenance of insider lists, the prohibition of insider dealings, proprietary dealings by executives or persons closely related to them (directors' dealings) and reporting and publication obligations in the event of changes in voting rights. In addition, the requirements of the German Corporate Governance Code are taken into account. The company has taken these increased requirements into account and has established organisational conditions and measures for compliance with and implementation of these regulations.

3.6 Liquidity risks

The liquidity risk is the risk that insurance undertakings are unable to liquidate investments and other assets to meet their financial obligations when they mature.

Deutsche Familienversicherung prepares a plan spanning multiple years in which it also evaluates its liquidity on a quarterly basis. Based on concrete assessments of larger individual items, it evaluates its liquidity for the next month. As part of the annual ORSA process, changes in solvency are also measured using various scenarios in order to calculate a coverage ratio. Furthermore, surplus capital in the free assets, which can be liquidated if Deutsche Familienversicherung is in need of liquidity, are calculated on a regular basis. With regard to capital investments, indicators are used to assess the liquidity of individual assets.

This comprehensive evaluation makes it possible to detect aspects that might lead to risk at an early stage. Corresponding limits, such as the minimum coverage ratio or a negative monthly liquidation balance, help identify material liquidity risks.

3.7 Reputational risks

Reputation risks can arise not least from negative public presentations caused by, for example, dissatisfied customers or sales partners, legal proceedings and ultimately defamation.

Deutsche Familienversicherung mitigates these risks with an adequate internal compliance management system, ongoing monitoring and active public relations work. Customer behaviour is actively monitored by complaint management, which investigates the causes of all complaints and assesses their potential impact on reputation. Anomalies in complaint management can result in adjustments to business processes. This measure is supported by online marketing, which evaluates activity on social networks using software tools.

As part of its public relations work, Deutsche Familienversicherung continuously monitors the most popular media. In addition, Deutsche Familienversicherung is able to continuously expand its positive public image by proactively dealing with the media and clearly communicating with customers. This ensures that appropriate measures can be taken at short notice to respond to particular developments.

3.8 Strategic opportunities and risks

Strategic risks are risks arising from general business decisions. One strategic risk is that business decisions are not adapted to the changing economic environment.

The strategic objectives of Deutsche Familienversicherung are derived from its business strategy. These are converted into planning metrics and incorporated into the multi-year plan.

Deutsche Familienversicherung deals with strategic risks and opportunities by subjecting key business decisions to an extensive examination and consultation process; the process of monitoring the corporate environment is continuously expanded and systematised.

Deutsche Familienversicherung has a detailed business plan on the basis of a strategic framework objective. Strategic impacts are analysed through various scenarios, for example, evaluated in terms of the future outcome and presented for decisions relating to corporate governance. In particular, major changes to cancellation, loss and cost ratios are taken into consideration on the level of individual insurance segments. The ongoing short-term monitoring of this planning with the real actual data is an essential early-warning tool for identifying and counteracting undesirable business developments.

At Deutsche Familienversicherung, strategic and policy evaluations are performed by the Executive Board. The Executive Board also derives corresponding measures. At regular meetings, the operations and the impact of external effects are compared against the strategic orientation of the company and short-term adjustments are drawn up if necessary.

In quantitative terms, the metrics and targets are compared by means of continuous reporting, coordinated investment plans and recurring reports. The members of the Executive Board meet to discuss the assessment of early-warning indicators of potentially undesirable business developments. Where necessary, appropriate measures are agreed and initiated.

Where relevant, strategic risks are also identified, analysed and assessed as part of the ORSA process. Long-term aspects and the resulting risks are examined in the ALM process at the same time and afterwards.

Risk control is based on individually defined measures.

The European insurance market, especially the German one, is characterised by intense competition. This offers excellent opportunities for Deutsche Familienversicherung to achieve further growth as customers switch to its outstanding products. The introduction of new products to fill an identified gap in the market or product portfolio also provides strategic opportunities. Before this happens, the competitive situation is examined and the decision can also be made not to launch a product. For example, Deutsche Familienversicherung does not offer car insurance due to the high level of competition. Due to its digital focus in particular, Deutsche Familienversicherung is able to react to market opportunities at short notice.

3.9 Summary of the opportunity and risk situation

The minimum capital requirements of the German Insurance Supervision Act (VAG) have been met in full. The solvency capital requirement is largely covered by eligible own funds.

The main opportunities and risks are described in the previous sections, taking into account the report on events after the reporting date. In summary, based on the current information and the described conditions, Deutsche Familienversicherung determines that there are no present developments which would endanger the existence of the company or which would significantly hinder the asset, financial and earnings position of the company or its ability to bear risks.

4 COMPARISON OF FORECAST WITH ACTUAL RESULT FOR 2023

At € 19.3 million, the volume of new business (current premiums for one year) in direct insurance greatly surpassed its target of € 15 million in 2023. This growth was driven by the acquisition of new business and, in a narrower sense, premium adjustments in supplementary care and dental insurance, as well as the implementation of dynamic pricing in supplementary care insurance.

The consolidated income before tax was € 5.6 million in 2023, which puts it above the guidance for 2023 of € 3–5 million. In particular, earnings expectations were met due to the continued implementation of cost reduction measures and increased cost discipline, even though the administrative cost ratio rose from 16.2 % in 2022 to 17.6 % in 2023 as a result of strategic TV advertising intended to promote the Deutsche Familienversicherung brand. This also includes one-off expenses due to the introduction of the new accounting standards IFRS 17 and IFRS 9.

The combined ratio of Deutsche Familienversicherung was a positive 92.4 % in 2023 (2022: 92.3 %). This underlines that Deutsche Familienversicherung is working diligently to further develop its business model, which is once again to be geared towards sustainable profitability. At the same time, there is inherent financial result volatility in the introduction of IFRS 17. Due to the effects of interest rates, the financial result was even slightly negative at € -0.2 million in 2023. Despite these interest rate effects, Deutsche Familienversicherung generated consolidated income before tax of € 5.6 million in 2023, which is a considerable 39% higher than the average original guidance of € 3–5 million for 2023.

4.1 Outlook

4.2 Macroeconomic and industry-specific framework conditions

In December 2023, the ifo Institute forecast GDP growth of 0.9 % for 2024. In contrast, the German government predicted economic growth of just 0.2 % in its annual economic report on 21 February 2024, which included projections for 2024. After German insurers' premium income rose by 0.6% across all segments in 2023, the GDV forecast premium growth of 3.8 % for the 2024 financial year.

4.3 Forecast for 2024

Deutsche Familienversicherung plans to continue its portfolio growth in all areas of primary insurance in the 2024 financial year. It aims to realise new and repeat direct insurance business of around € 18 million. This planned volume of new direct insurance business should keep the company on a profitable course. To this end, Deutsche Familienversicherung will actively control acquisition costs and cancellations for the purposes of stricter cost discipline, all whilst continuing with its TV advertising initiative.

In the interests of long-term profitability growth, another quota share reinsurance contract for new business was terminated at the end of 2023; it is expected to be settled in the 2024 financial year. Provided that the still-uncertain financial, political, and economic conditions do not lead to any extraordinary negative influences on its net income, Deutsche Familienversicherung expects consolidated income of € 5–7 million before taxes in 2024.

5 SUSTAINABILITY REPORT

As the parent company of the DFV Group (Deutsche Familienversicherung), DFV Deutsche Familienversicherung AG presents information in this third non-financial statement about environmental, employee and social issues, human rights and the prevention of corruption and bribery. Provided that no conclusive, mandatory European Sustainability Standards (ESRS) in the sense of sector-specific apply completely, the sustainability reporting of Deutsche Familienversicherung is based on the standards of the Global Reporting Initiative (GRI), especially the Core option, GRI 102-54 and the requirements of sections 315b and 315c of the German Commercial Code (HGB) in conjunction with sections 289c to 289e of the German Commercial Code (HGB). However, where sector-agnostic ESRS have already been published through Delegated Regulation (EU) 2023/2772, sections of the report will refer to them even though this report does not meet the ESRS requirements. ESRS 1, 10 This applies to the standards ESRS 1, ESRS 2, ESRS E1, ESRS S1, ESRS S4 and ESRS G1 in particular.

To the knowledge of the Risk Management function and the Executive Board, there were no risks in the reporting period that had to be reported pursuant to section 289c, paragraph 3, no. 3 and 4 of the HGB that relate to the company's own business activities, business relationships, products or services, and which are very likely to have or will have a severe negative impact on the key aspects of the company.

Deutsche Familienversicherung has prepared this voluntary report in anticipation of selected regulations – especially certain *disclosure requirement data points* – of the European Corporate Sustainability Reporting Directive (2022/2464) of 14 December 2022, which extend the scope of application of the non-financial statement described in section 289b, paragraph 1 of the HGB. The directive must be implemented into national law by 6 July 2024. In accordance with the guidelines, Deutsche Familienversicherung will fall within the scope of application from the 2025 financial year. Article 8 of the Taxonomy Regulation (EU Regulation 2020/852 of 18 June 2020) has been applied and the information referred to therein has been published in the report.

This reporting also refers to the German Corporate Governance Code (DCGK) as amended on 28 April 2022, which recommends that sustainability reporting and auditing should also be included in the reporting and auditing of financial statements (Recommendation D.3). In our understanding, this recommendation applies irrespective of any (pre-existing) legal obligation to report on sustainability, as the Government Commission emphasises in its explanatory statement on the adopted amendments that corporate governance should be based on a pluralistic concept of objectives that is not developed solely on the basis of the principal-agent approach. Principle 6 of the Code also clarifies that monitoring and advising the Supervisory Board also includes sustainability issues in particular. This voluntary non-financial statement has been examined by the Supervisory Board of Deutsche Familienversicherung in the sense of section 171, paragraph 1, sentence 4 of the AktG. It has also been reviewed by the auditor. GRI 102-56

This non-financial statement concerns the full scope of consolidation of the Deutsche Familienversicherung Group GRI 102-45 and the 2023 financial year, i.e. from 1 January 2023 to 31 December 2023. As at 31 December 2023, besides the parent company and four subsidiaries DFVS Deutsche Familienversicherung Servicegesellschaft mbH, DFVV Deutsche Familienversicherung Vertriebsgesellschaft mbH, DFVR Deutsche Familienversicherung Rechtsschutz-Schadenabwicklungsgesellschaft mbH and Hyrance AG, the group reporting entity consisted of the two special funds HI DFV Master Fund and HI DFV Master II Fund. The Taxonomy-aligned figures relating to capital investments refer to the total investment assets as at 31 December 2023. GRI 102-50

5.1 General information

5.1.1 Business model

Deutsche Familienversicherung, with headquarters in Frankfurt am Main GRI 102-3, is a publicly listed digital direct insurer that covers the value chain of an insurance company with its own products and largely automated processes. Deutsche Familienversicherung offers its customers award-winning supplementary health insurance (dental, health, supplementary care insurance) as well as accident and non-life insurance that people should be able to understand immediately ('Simple. Sensible.'). Thanks to its proprietary, modern and scalable contract management system, the company has a consistently digital product design that includes the option to take out policies digitally. GRI 102-2, GRI 102-6

In particular, Deutsche Familienversicherung possesses its own proprietary contract management system that is Java-based and allows for real-time processing. Even now, this system enables Deutsche Familienversicherung to seize competitive advantages in the market because products can be adapted and marketed quickly, situational customer risks can be dealt with 'on demand' in real time and claim settlement and payment processes run extremely quickly to the benefit of customers. For the purposes of technological advancement, Deutsche Familienversicherung has established its subsidiary Hyrance AG as a centralised innovation and IT service provider. Its innovations will be centred on initiatives designed to strengthen and integrate modern AI methods. Deutsche Familienversicherung has already achieved an average level of automation of 60 % and a peak level of up to 90% in supplementary dental insurance. It aims to increase these figures further and bolster them through the use of AI in particular. Processes that currently take hours or days will potentially take seconds within the next ten years.

The following table shows potential general applications of AI and its potential benefits within some elements of an insurance company's value chain, which can be analysed, tested and gradually developed by Deutsche Familienversicherung in a structured fashion (source: EIOPA 2021; Geneva Association 2023). GRI 102-9

	Product development	Pricing & underwriting	Distribution & marketing	Client service & policy admin	Claims management	Central functions
AI use cases in the insurance value chain	• Analysis of customer preferences • Product innovation	• Enhanced risk assessment integrating new data sources, e.g. internet of things (IoT) data • Personalised pricing based on non-risk individual behaviour data	• Predictive analysis • Sales process automation • Proactive customer communication, based on data from customer relationship management (CRM) systems	• Predictive analysis • Voice recognition • Customer self-service through chatbots utilising natural language processing (NLP)	• Prediction of claims patterns • Image recognition • Anomaly/fraud detection • Use of AI to estimate losses, especially for high-frequency claims	• Payment process automation • Image analysis • Anomaly detection
Potential benefits	• Tailored products • Novel products, including parametric and usage-based insurance • Rapid product adjustment	• Improved quality/speed of risk analysis, including complex risk	• New marketing channels • Tailored outreach • Reduced sales costs	• Personalised service • Improved customer engagement • Optimised churn prevention	• Accurate claims assessments • Fraud reduction • Faster responses • Increased process quality	• Speed/quality of payment processes (in/out) • Efficiency of internal processes • Prevention of financial/cyber risk

More information about the business model, strategy and economic performance of Deutsche Familienversicherung in the financial year is available in the section of the group management report entitled 'Development of business performance and net assets, financial position and earnings situation of the group'.

Vision and strategy

On the basis of its current product range, Deutsche Familienversicherung intends to provide all of the insurance products that a private customer might typically need. Besides selling individual supplemental dental, long-term care or pet health insurance policies, our vision is to offer a range of products in which all product lines share the same level of quality and quantity.

The strategy of Deutsche Familienversicherung is based on continued growth as well as on continuous product innovations and even more progressive digitisation. The entry into the Austrian market back in 2021 was a first step towards internationalisation in other European markets. GRI 102-6 In the 2022 financial year, Deutsche Familienversicherung launched several initiatives to further increase process automation along the entire value chain. These initiatives continued in the 2023 financial year. GRI 102-10

The Executive Board is committed to ensuring the continued existence and development of Deutsche Familienversicherung and its sustainable value creation in accordance with the principles set out in the Foreword of the Code as amended on 28 April 2022, in accordance with the principles of the social market economy and taking into account the interests of shareholders, employees and other groups associated with the company (stakeholders). Sustainable corporate governance is of immense importance to Deutsche Familienversicherung. This corresponds to the commitment to climate change mitigation and the enshrining of sustainability within the company, as formulated for the entire insurance industry in the paper 'Sustainability Positioning' published by the GDV on 19 January 2023 and in the third GDV sustainability report of 8 November 2023.

5.1.2 Materiality analysis

In the fourth quarter of 2023, Deutsche Familienversicherung conducted a second materiality analysis – the first took place in 2021 – that already embraces the concept of double materiality, as will be mandatory under the ESRS in future. At the same time, this approach complies with the statutory requirements of the CSR Directive Implementation Act (CSR-RUG) and the reporting requirements of the GRI Standards. GRI 102-43

Preliminary remarks concerning methodology

With regard to *double materiality*, ESRS 1 differentiates between *impact materiality* and *financial materiality*.

- *Impact materiality* (*inside-out* perspective): A sustainability matter or information relating to sustainability is material when it pertains to the undertaking's significant impacts on people or the environment over the short, medium or long-term horizons. The impacts do not have to have been caused by the company directly; the impacts merely have to be *directly linked* to the value chain of the company. ESRS 1-43

- *Financial materiality* (*outside-in* perspective): For the purposes of preparing a sustainability report, an undertaking's sustainability matter is material if it triggers or may trigger material financial effects on the undertaking. This is the case when a sustainability matter generates risks or opportunities that have or may have an influence on the undertaking's cash flows and value in the short, medium or long-term time horizons. ESRS 1-49

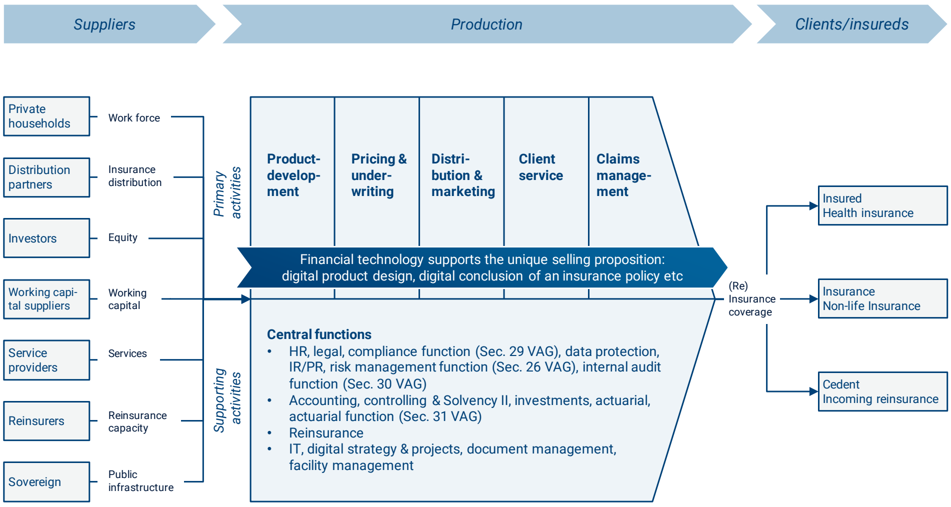
The sustainability aspects in question can involve positive and negative effects as well as risks and opportunities. Consequently, a sustainability matter is relevant and reportable if it is to be considered material based on one of the two aforementioned perspectives. ESRS 1-38

In principle, a report must only be generated if a sustainability matter is considered material. The undertaking can establish thresholds to determine whether or not a matter has a material influence. ESRS 1-36 For the purposes of maximum transparency, the materiality analysis process must be disclosed, including selected methods, thresholds and materiality limits, underlying assumptions and involved stakeholders.

Appendix A of ESRS 1 contains a list of sustainability matters from the sector-agnostic ESRS that can be factored into the materiality analysis. ESRS 1-27 It can also be prudent to utilise company-specific aspects or findings from a stakeholder survey. The sustainability matters that are to actually be reported on are then determined (in a *short list*) from a list of potentially reportable topics (a *long list*). The methodology used to derive a *short list* from a *long list* must be documented transparently.

Value chain analysis

The materiality analysis performed by Deutsche Familienversicherung in the fourth quarter of 2023 was initially limited to a structured review of the sustainability matters from the specific ESRS. ESRS 1, Appendix A These have been highlighted, especially in the context of the value chain. ESRS 1-63 The following diagram breaks down the key elements of Deutsche Familienversicherung's value chain as well as how the activities relate to upstream suppliers and downstream customers (supply chain). GRI 102-9.



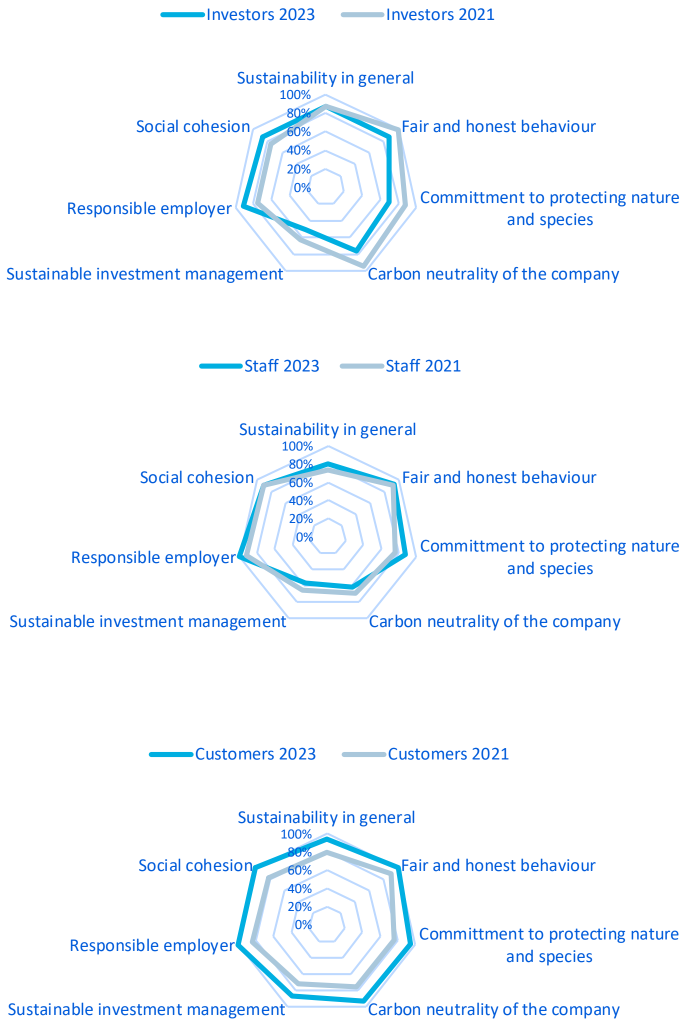
Second survey of DFV stakeholder groups

Additionally, Deutsche Familienversicherung carried out another stakeholder survey. It developed an understanding of materiality from both perspectives through personal interviews with representatives of stakeholder focus groups as well as an online survey of customers, business partners and employees, who are all groups of stakeholders GRI 102-40. The goal was to obtain feedback from the stakeholders regarding the materiality of individual fields of action. *Financial materiality* was largely determined using internal stakeholders (management and employees), whereas the responses of external stakeholders (customers and business partners) were also taken into account to determine *impact materiality*.

The results of the second stakeholder survey in 2023 show that sustainability remains highly relevant in the eyes of all DFV stakeholder groups. At the same time, however, there are clear differences in its development since the first survey in 2021. In the opinion of the customer stakeholder group, the importance of all surveyed ESG aspects has risen further. Investors and employees paint a different picture, classing 'S' aspects as generally more important than in 2021, whereas the significance of 'E' aspects has declined in parts. ESRS 1-22

Relevance of ESG aspects from the perspective of DFV stakeholder groups

(Percentage of 'very relevant' und 'relevant' per ESG aspect)



Ultimately, the second stakeholder survey in 2023 confirms the results of the first survey in 2021, although the second one is now based on the criteria of double materiality, unlike in 2021. GRI 102-44

Sector-specific analysis of capital investments

In order to ensure a high degree of objectivity in assessments, especially of *impact materiality*, Deutsche Familienversicherung also conducted a sector-specific review of capital investments. The following table illustrates the impacts, opportunities and risks of the individual sectors and their relevance to the investment portfolio of Deutsche Familienversicherung (source: Taskforce on Nature-related Financial Disclosures (TNFD), Sector Guidance, Additional Guidance for Financial Institutions, Sept. 2023).

Sector	Share of total investments in %	No allocation	DFV share < 1.5%	DFV share > 1.5%	Impacts, opportunities and risks in focus	Sector-specific assessment of impacts, opportunities and risks related to the bond portfolio conducted by DFV in 2023	Additional future assessment angles with reliable data available
Utilities	6.5			x	Energy mix GHG emissions Temperature increase	Central sector providing basic services to the public, comparison of companies by Taxonomy-relevant turnover and operating expenses. Focus on large companies (ability to transition). Security of supply is a key factor in sustainable development.	Relative analysis of sector by risk focus (qualitative and/or quantitative analysis) and Analysis of portfolio allocation by absolute value with regard to qualitative risks/opportunities.
Automotive	4.0			x	E-mobility GHG emissions Temperature increase	Central sector for mobility, comparison of companies by Taxonomy-relevant turnover and operating expenses. Focus on large companies (ability to transition). GHG emissions analysed.	
Basic materials & mines	0.9		x		GHG emissions Temperature increase Social targets	Admixture, comparison of companies by Taxonomy-relevant turnover and operating expenses. Focus on large companies (ability to transition). GHG emissions analysed.	Relative analysis of sector by risk focus (qualitative and/or quantitative analysis).
Construction & metal industries	0.5		x		GHG emissions Temperature increase	Admixture, comparison of companies by Taxonomy-relevant turnover and operating expenses. Focus on large companies (ability to transition). GHG emissions analysed.	
Transport	0.5		x		GHG emissions Temperature increase	Admixture in allocation, sector boasts impressively high strategic importance. Innovative approaches to transport are preferred.	
Textile and luxury sectors	1.3		x		GHG emissions Temperature increase Social targets	Admixture, comparison of companies by Taxonomy-relevant turnover and operating expenses. GHG emissions analysed. Analysis of water consumption and social factors in future when data security is sufficient.	
Personal necessities	0.7		x		GHG emissions Temperature increase Social targets	Admixture, comparison of companies by Taxonomy-relevant turnover and operating expenses. GHG emissions analysed. Analysis of production and waste disposal processes in future when data security is sufficient.	
Semiconductors	0.4		x		GHG emissions Temperature increase	Admixture, comparison of companies by Taxonomy-relevant turnover and operating expenses. GHG emissions analysed.	
Other sectors	85.1	x				Contains government bonds, covered bonds, real estate etc.	

Determination of key reporting elements

As part of the materiality analysis, Deutsche Familienversicherung compiled the results from the review of sustainability matters from the specific ESRS, the supply chain analysis, the feedback from the stakeholder groups and the sector-specific analysis of capital investments. It also considered the comparison with the results of the materiality analysis in the past, as well as the results of the ESG rating (esgbook Company Assessment) of Deutsche Familienversicherung that took place for the first time in 2023. Following structured deliberation and discussion, a *short list* was derived from the *long list* with the prioritised sustainability matters that were to be reported on. Materiality from the perspectives of the insurance business, capital investments and business operations have been considered separately.

Sustainability matter	Materiality to insurance business?	Materiality to capital investments?	Materiality to business operations?	Sustainability matter on the *short list*?
ESRS E1 Climate change	No	Yes	No	Yes
ESRS E2 Pollution	No	No	No	No
ESRS E3 Water and marine resources	No	No	No	No
ESRS E4 Biodiversity and ecosystems	No	No	No	No
ESRS E5 Resource use and circular economy	No	No	No	No
ESRS S1 Own workforce	No	No	Yes	Yes
ESRS S2 Workers in the value chain	No	No	No	No
ESRS S3 Affected communities	No	No	No	No
ESRS S4 Consumers and end users	Yes	Yes	No	Yes
ESRS G1 Business conduct	Yes	Yes	Yes	Yes

In line with the procedural model in Appendix E to ESRS 1, the company first examined whether there was a *topical standard* for a matter classed as material. If so, the company checked for standard metrics for it that are material as *disclosure requirements* (DR), and whether individual data points (DP) are material. If so, the data point is reported. It also examined whether Deutsche Familienversicherung has already implemented processes and internal standards relating to the material *topical standard*. ESRS 2 IRO-1

Sustainability matter (*short list*)	*Disclosure requirement*	Disclosure requirement material? from: ESRS 1-33	Parameter (*disclosure requirement data point*)	Data type	Individual data point material? from: ESRS 1-36
ESRS E1 Climate change	E1-1 Transition plan for climate change mitigation	No			
	E1-2 Policies related to climate change mitigation and adaptation	Yes	Policies designed to manage the material impacts, risks and opportunities related to climate change mitigation and adaptation	MDR-P	Yes
	E1-3 Actions and resources in relation to climate change policies	Yes, but negative declaration	Climate change mitigation and adaptation actions and the resources allocated for their implementation	MDR-A	No
	E1-4 Targets related to climate change mitigation and adaptation	Yes, but negative declaration	Adopted climate-related targets	MDR-T	No
	E1-5 Energy consumption and mix	Yes	Total energy consumption in MWh related to own operations	Energy	Yes
	E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	Yes, Scope 3 category 15	Gross Scopes 1, 2, 3 and total GHG emissions	Table	Yes
	E1-7 GHG removals and GHG mitigation projects financed through carbon credits	No			
	E1-8 Internal carbon pricing	No			
	E1-9 Potential financial effects from material physical and transition risks and potential climate-related opportunities	No			
ESRS S1 Own workforce	S1-1 Policies related to own workforce	Yes	Policies that address the management of material impacts of products and/or services on the workforce, as well as associated material risks and opportunities	MDR-P	Yes
	S1-2 Processes for engaging with own workers and workers' representatives about impacts	Yes	Processes for engaging with own workers and workers' representatives about actual and potential material impacts on the workforce	Narrative	Yes
	S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	Yes	Description of processes for managing negative impacts on people in the workforce and the channels through which the undertaking's own workers can make their concerns and needs known and have them followed up on.	Narrative	Yes
	S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Yes, but negative declaration	Measures relating to managing material negative and positive impacts, the management of material risks and the use of material opportunities related to the undertaking's own workforce.	MDR-A	No
	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Yes, but negative declaration	Timed and outcome-oriented targets to manage negative or positive impacts as well as risks and opportunities related to the undertaking's own workforce.	MDR-T	No

	S1-6 Characteristics of the undertaking's employees	Yes	Description of the key characteristics of the undertaking's own workforce; number of employees by gender	Table	Yes
	S1-7 Characteristics of non-employee workers in the undertaking's own workforce	No			
	S1-8 Collective bargaining coverage and social dialogue	No			
	S1-9 Diversity indicators	Yes	Distribution of employees by age group	Percentage	Yes
	S1-10 Adequate wages	No			
	S1-11 Social protection	Yes	Disclosure whether the undertaking's own workers enjoy social protection against income loss due to major life events	Semi-narrative	Yes
	S1-12 Persons with disabilities	Yes	Proportion of workers with disabilities, by gender	Table	Yes
	S1-13 Training and skills development indicators	Yes	Proportion of workers who have participated in training and skills development	Table	Yes
	S1-14 Health and safety indicators	Yes	Number of fatalities as a result of work-related injuries and work-related ill health	Integer	Yes
	S1-15 Work-life balance indicators	Yes	Proportion of workers who are entitled to and take family-related leave; by gender	Table	Yes
	S1-16 Compensation indicators (pay gap and total compensation)	No			
	S1-17 Incidents, complaints and severe human rights impacts and incidents	Yes	Number of reported incidents of discrimination	Table	Yes
ESRS S4 Consumers and end users	S4-1 Policies related to consumers and end-users	Yes	Policies that address the management of material impacts of products and/or services on consumers and end-users, as well as associated material risks and opportunities	MDR-P	Yes
	S4-2 Processes for engaging with consumers and end-users about impacts	Yes	Processes for engaging with consumers and end-users and their representatives about actual and potential material impacts on them	Narrative	Yes
	S4-3 Channels for consumers and end-users to raise concerns	Yes	Description of the channels in place to remedy negative impacts on consumers and end-users or participate in their remediation, as well as the channels available to consumers and end-users to raise concerns and have them addressed	Narrative	Yes
	S4-4 Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Yes	Explanation of action relating to material impacts on consumers and end-users and mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	MDR-A	Yes
	S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Yes	Disclosure of the targets for managing negative and/or positive impacts for consumers and/or end users	MDR-T	Yes
ESRS G1 Business conduct	G1-1 Corporate culture and business conduct policies	Yes	Disclosure of policies relating to aspects of business conduct and explanation of how the company promotes its corporate culture	Narrative	Yes
	G1-2 Management of relationships with suppliers	Yes	Information about the management of relationships with suppliers and the impacts on its supply chain	Narrative	Yes
	G1-3 Prevention and detection of corruption or bribery	Yes	Information about the system to prevent and detect, investigate and respond to allegations or incidents relating to corruption and bribery	Narrative	Yes
	G1-4 Confirmed incidents of corruption or bribery	Yes	Number of incidents of corruption or bribery during the reporting period	Integer	Yes
	G1-5 Political influence and lobbying activities	Yes	Information on the activities and commitments related to political influence	Narrative	Yes
	G1-6 Payment practices	No			

The preceding table presents, inter alia, the format of the data type, including ESRS 2 MDR-P (Policies adopted to manage material sustainability matters), ESRS 2 MDR-A (Actions and resources in relation to material sustainability matters) and ESRS 2 MDR-T (Tracking effectiveness of policies and actions through targets), for the material *disclosure requirements*.
ESRS 2 MDR-P, MDR-A, MDR-T

Coverage of reportable aspects under section 289c, paragraph 2 of the HGB

At the same time, the sustainability matters identified in the materiality analysis in accordance with ESRS (double materiality) cover the still-reportable aspects under section 289c, paragraph 2 of the HGB (environmental matters, employee-related matters, social matters, respect for human rights, combating corruption and bribery). GRI 102-47

Reconciliation with the GRI standards

As a rule, Deutsche Familienversicherung still takes the management approach to sustainability (GRI 103). The management approaches to the key topics are highlighted in this report. If there is a related GRI aspect, it is added to a specific key topic in this report. The following reconciliation reconciles the ESRS identified as material with the GRI Standards.

Key topic	Why is the topic key?	Related GRI aspects	GRI Standard
ESRS E1 Climate change	Climate change is essentially the result of the greenhouse effect, for which human beings are responsible. Industrial emissions are largely to blame for this. Insurance companies and indeed the entire financial sector can become extremely significant if, for example, they help prevent activities that are harmful to the environment from being insured or investment projects that release large amounts of CO2 from being financed. On the other hand, the actuarial value-creation process of insurers bears relatively little responsibility for the greenhouse effect. Nevertheless, insurance companies can do their part by reducing or avoiding environmentally damaging activities or even becoming carbon neutral themselves. Like other insurance companies, Deutsche Familienversicherung can steer structural change in the direction of a lower-emission and more environmentally friendly society by means of its investment policies. By investing strategically in companies, countries or projects which support sustainable global development on an economic, social or ecological level or by applying specific exclusion criteria, an insurer can influence sustainability as an investor.	Management approach Materials Energy Biodiversity Emissions Percentage of financial investments which undergo positive or negative screening based on environmental or social factors.	103-1 301-1 302-1 304-3b 305-5 G4-FS11
ESRS S1 Own workforce	Responsible human resource policies are an integral part of a company's culture. Motivated employees make an employer attractive and help attract and retain the most talented individuals. Aspects such as equal opportunities, family-friendliness, further training and diversity are inalienable for Deutsche Familienversicherung. The results of the stakeholder surveys carried out as part of the materiality analysis confirm the materiality of responsible human resource policies from the perspective of the stakeholder groups, and not only that of surveyed employees.	Management approach Employment Occupational health and safety Training and education Diversity and equal opportunities Non-discrimination Child labour Forced or compulsory labour Human rights Local communities Supplier social assessment	103-1 401-1 403-1ff. 404-3 405-1 406-1 408-1 409-1 412-3 413-2 414-1
ESRS S4 Consumers and end users	Consumers and end users are of extreme relevance to Deutsche Familienversicherung. Customer health and safety are one particular focal point. Deutsche Familienversicherung therefore offers its customers multi-award-winning supplementary health insurance policies, as well as accident and non-life insurance, which people really need and should be able to understand immediately ('Simple. Sensible.'). Thanks to its proprietary, modern and scalable IT system, the company has a consistently digital product design that includes the option to take out policies digitally.	Management approach Customer health and safety Marketing and labelling	103-1 416-1 417-1
ESRS G1 Business conduct	Deutsche Familienversicherung conducts its business in accordance with national and international laws and in compliance with generally accepted ethical principles. Fairness is a central building block of its corporate culture. Merit, honesty and proper business practices are part of the codified corporate guidelines and of a supplementary code of conduct. We hold our actions and how we treat our customers, business partners and employees to a high standard in order to guarantee a high degree of compliance. The stakeholder surveys confirm the tremendous importance of honest and fair conduct. Through its actions, Deutsche Familienversicherung can influence social cohesion which is considered very important and has been identified as a key goal by the stakeholders. Specifically, initiatives designed to support local communities on the basis of the needs of local communities can make a contribution to social cohesion.	Management approach Indirect economic effects Anti-corruption Local communities Party donations	103-1 203-2 205-1 413-1 415-1

5.1.3 Goals

Deutsche Familienversicherung is committed to the 17 Sustainable Development Goals (SDGs) adopted by the United Nations General Assembly in 2015 and designed to achieve sustainable global development on an economic, social and ecological level.

Following a careful analysis of these goals, Deutsche Familienversicherung has selected the ones that are of particular relevance in terms of its business model and to which Deutsche Familienversicherung is able to make the largest possible contribution – including with regard to the aforementioned materiality analysis. These give SDGs are as follows:

SDG 3 – Good health and well-being: Deutsche Familienversicherung aims to ensure healthy lives and promote well-being for all at all ages. This goal ties in closely with the core products of Deutsche Familienversicherung, be it supplementary health, pet health or long-term care insurance. The five progress reports on the implementation of the 17 SDGs which were published in 2019 make it clear that health is a goal of immensely high priority. Deutsche Familienversicherung has taken it upon itself to make a strong contribution to this by means of its own product portfolio.

SDG 4 – Quality education: As an innovative, digital insurance company, knowledge and education are critical to Deutsche Familienversicherung. The qualification and development of our employees and the attraction of new employees are an important prerequisite to advancing our business, which is growing rapidly and driven by digital processes, and creating the perfect insurance products for customers. Customers cannot enjoy the full benefits of our credo 'Simple. Sensible.' unless we have exceptionally well-trained and highly motivated employees. Quality education is therefore a key aspect in the eyes of Deutsche Familienversicherung.

SDG 8 – Decent work and economic growth: Deutsche Familienversicherung wants to be a responsible employer that treats its employees with respect. Working together, we have the strength to keep Deutsche Familienversicherung evolving as a rapidly growing and innovation-driven company. At the same time, by making responsible investments, we want to direct appropriate amounts of money to wherever decent work is being made available and economic growth is being supported in line with similar principles.

SDG 10 – Reduced inequalities: An important goal of Deutsche Familienversicherung is to avoid social inequalities, where human dignity is not respected and opportunities for personal development are taken away. These inequalities happen all over the world, but also on our doorstep in Germany and in Frankfurt where Deutsche Familienversicherung is based. Deutsche Familienversicherung aims to contribute to more equal opportunities and social cohesion.

SDG 13 – Climate action: It is important to Deutsche Familienversicherung to take a responsible approach to the environment, whose resources are limited. This includes efficient environmental and resource management, which ties in with our goal to fight global warming. It also includes responsible investments, some of which we make with a view to accomplishing climate action goals. We do this out of respect for Mother Nature, but also out of a sense of responsibility for future generations and our fellow human beings in poorer countries who will suffer most if we fail to protect the climate.

Besides the United Nations SDGs, Deutsche Familienversicherung's sustainability efforts are guided by the following values, principles, standards and standard practices: The human rights standards of the United Nations, the international labour and social standards of the International Labour Organisation, the Diversity Charter of Charta der Vielfalt in Berlin and the UN Principles for Responsible Investment (UN PRI).

5.1.4 Responsibility

In light of the strategic importance of sustainability, it is dealt with on the level of the Executive Board at Deutsche Familienversicherung. GRI 102-20 The CEO and CFO work together to prepare the non-financial statement for the group. Internal and external reports are prepared in close coordination with the Corporate Communications, Accounting and Group Accounting departments.

The relevant departments at Deutsche Familienversicherung are responsible for putting the individual sustainability measures into place, be it sustainable product development or sustainable capital investments. In addition, a separate sustainability committee (Sustainability Board) was set up for capital investments in 2022 to deal with matters relating to the analysis and evaluation of risks inherent in countries and issuers, negative lists, watchlists and the aggregation of external data into a DFV sustainability score. Furthermore, the Executive Board of Deutsche Familienversicherung re-evaluates the company's progress with the implementation of sustainability goals at regular intervals.

Values, principles and codes of conduct that guide our actions

As the highest decision-making body, the Executive Board has published guidelines on conduct and management at Deutsche Familienversicherung, which are updated on a regular basis, in order to provide the employees of Deutsche Familienversicherung with binding guidance on how to conduct themselves in a responsible manner on a daily basis. These guidelines distil our credo 'Simple. Sensible.' into principles which determine how we interact with one another and the general public. GRI 102-14

Deutsche Familienversicherung has also drawn up a code of conduct which sets comprehensive ethical standards for all employees, including equal treatment, the prohibition of bribery and corruption, rules concerning donations and sponsorships, the avoidance of conflicts of interest, the prevention of money laundering and funding of terrorism, occupational health and safety, the protection of company assets and trade secrets, compliance procedures and consequences of breaches of compliance. This code of conduct is also updated continuously, most recently in November 2023.

The guidelines and the code of conduct are important codes of conduct and ethics at Deutsche Familienversicherung. GRI 102-16 Any infringement will have consequences based on the nature and severity of the infringement.

5.1.5 Incentive system

This section explains the extent to which target agreements and remuneration for the Executive Board and all employees of Deutsche Familienversicherung are based on the accomplishment of sustainability goals and on long-term targets.

The remuneration policy of Deutsche Familienversicherung is consistent with its business and risk strategies, its risk management practices and its long-term, sustainable corporate goals. As the remuneration systems offer no incentives of any kind to behave in a risky manner, they contribute to the execution of the business strategy. Sustainability risks are an important aspect of the risk management system of Deutsche Familienversicherung.

In real terms, this meant that due to the overall responsibility of the Executive Board of Deutsche Familienversicherung, the formulation and adoption of an initial sustainability strategy were a component of its variable remuneration in 2021. In accordance with the remuneration system, this target remained in effect in 2022 and 2023. The variable remuneration of the members of the Executive Board can be re-linked to a target agreement based partially on sustainability aspects at a later date. This variable component of the remuneration of the Executive Board is assessed annually and adjusted if necessary.

With regard to employees, the remuneration system of Deutsche Familienversicherung does not link the remuneration to any specific sustainability risks or goals. However, the business strategy which everyone pursues together builds on the axiom that all employees are expected to behave in a manner consistent with the sustainability goals of the Paris Agreement and Agenda 2030. As an incentive for this, all employees are offered a free job ticket for public transport. GRI 102-35a

In accordance with section 162, paragraph 1, sentence 1 of the AktG, the total remuneration of the Supervisory Board and Executive Board has been presented in the remuneration report. GRI 102-38

5.1.6 Involvement of stakeholders and innovations

Ever since it was established in 2007, Deutsche Familienversicherung has built up a position in the insurance market which can be described as a high degree of innovation and care for its customers. The claim 'Simple. Sensible.' describes the endeavours of Deutsche Familienversicherung to make products available and understandable to its customers in such a way that their need for security is met as effectively as possible. Compared to the rest of the industry, the customer journey facilitated by digitised business processes remains a unique hallmark of Deutsche Familienversicherung.

Regular customer surveys attest to the willingness of customers to offer valuable suggestions concerning the improvement and optimisation of innovative products and processes. GRI 102-44 Consequently, the aforementioned stakeholder survey, which was carried out as part of the materiality analysis and factored in the opinions of customers, constitutes a logical step.

5.2 Environmental information

5.2.1 Policies related to climate change mitigation and adaptation

Deutsche Familienversicherung has *policies* through which it addresses the material impacts, risks and opportunities related to climate change mitigation and climate change adaptation. In particular, Deutsche Familienversicherung has implemented strategies to address the calculation, evaluation, management and improvement of the material impacts, risks and opportunities related to climate change mitigation and climate change adaptation. ESRS E1-2 The following areas in particular are factored into the strategies:

- Climate change mitigation: In particular, the sustainability-related activities of Deutsche Familienversicherung are geared towards contributing to climate change mitigation. In addition to Scope and Scope 2 emissions, which only play a minor role given the type of business, this applies to Scope 3 emissions specifically. As illustrated in the following sections, the efforts essentially relate to Scope 3 emissions, and primarily the capital investments.

- Climate change adaptation: As part of its annual Own Risk and Solvency Assessment (ORSA) process, Deutsche Familienversicherung incorporated a specific sustainability stress test in 2022. This scenario drew on the existing climate scenarios prepared by the Network on Greening the Financial System (NGFS) (see also NGFS Occasional Paper; Running the NGFS Scenarios in G-Cubed: A Tale of Two Modelling Frameworks; 17 June 2022). To confront the significance of this topic, climate-related impacts in the existing planning model are derived and assessed in a multi-year context. The analysis therefore evaluates the impacts on the insurance portfolio and, in turn, the earnings of the company on the basis of direct climate-related effects. Climate change may give rise to the following risks in personal insurance: Higher mortality, higher cancellation risk and higher cost risk, which is why Deutsche Familienversicherung's approach in this scenario stresses the following items on the income statement: Written premiums, claims expenditure and allocations to the ageing provision.

- Energy efficiency and use of renewable energy: As is typical for this type of business, there are few potential measures to adapt to climate change for Deutsche Familienversicherung.

Additionally, with the exception of the targets for Scope 1 and Scope 2 emissions in 2024 described further below, Deutsche Familienversicherung has currently defined no specific climate change mitigation and climate change adaptation measures, so there are no allocated resources to report. ESRS E1-3

5.2.2 Sustainable business processes

At Deutsche Familienversicherung, as with all insurance companies, Scope 1 and 2 emissions from internally generated energy and purchased energy sources only play a minor role as a source of emissions in the company's own business processes. As such, the efforts across the sector predominantly relate to indirect emissions (Scope 3). The following section reports the financed emissions that have also been counted as Scope 3.

Net zero in Scope 1 and Scope 2 emissions

The following table shows the energy consumption and energy mix of Deutsche Familienversicherung, including the share of renewable energy in the total energy mix (the figures for the 2023 financial year were not yet available at the time of writing, so the figures for 2022 have been reported). ESRS E1-5

Total energy mix (ESRS E1-5.12)		2022
Electricity consumption (average for the first six months projected for the entire year)	from fossil sources	43.8 MWh
	from nuclear sources	0.0 MWh
	from renewable sources	64.9 MWh
	of which from purchased and received electricity	64.9 MWh
Heat energy consumption	from fossil sources	197.6 MWh
	from nuclear sources	0.0 MWh
	from renewable sources	0.0 MWh

As is normal for this type of business, the contribution we, an insurance company, make to reducing greenhouse gas emissions is small. Nevertheless, we want to use resources responsibly, which is why we are monitoring our Scope 1, Scope 2 and Scope 3 greenhouse gas emissions. Our direct emissions (Scope 1) encompass any greenhouse gas emissions released by our organisation directly, such as those from air-conditioning units. Deutsche Familienversicherung does not have its own fleet of vehicles. Indirect emissions (Scope 2) are associated with the purchase of energy from utility companies outside of the organisation, e.g. electricity and gas.

In order to achieve the goal of net zero emissions, German insurance companies are striving to reduce Scope 1 and 2 emissions in domestic properties by 2025 and to offset all remaining emissions (source: GDV, 2023 sustainability report, p. 27). Deutsche Familienversicherung reached this target back in 2021. Measures designed to offset CO_2 emissions aim to support regional forest management, which also contributes to the protection and renaturation of habitats. In this context, Deutsche Familienversicherung has been working with Greenkeeper GmbH in Munich since 2022, a company focused on the common good that is, among other things, a member of the 1% for the Planet® Club. GRI 304-3b

In 2023, Deutsche Familienversicherung once again calculated the total emissions with regard to Scope 1 and Scope 2 emissions, which (before taking into account a reserve) amounted to a total of 125.92 tonnes of CO_2 equivalents (t CO_2e). The following table shows a breakdown of the total emissions by the various categories/items. With regard to materials, the calculation GRI 301-1 took into account that Deutsche Familienversicherung uses types of paper which are at least elemental chlorine free (EU Ecolabel certified product, chlorine free). The consumption values from the previous year have been used as a basis because the values for 2023 were unavailable when the report was completed.

Category	Item	CO_2 equivalents
Basic data	Heating	39.73 t CO2e
	Electricity consumption	47.17 t CO2e
	Water consumption	0.06 t CO2e
	Waste disposal	38.96 t CO2e
Local mobility	Vehicle fleet	0.00 t CO2e
Purchased goods	Paper	0.01 t CO2e
Total emissions		125.92 t CO2e
Certified emission reductions to offset emissions		-132.00 t CO2e
Net total emissions after offsetting		~ 0.00 t CO2e

Based on the insights gleaned from the carbon footprint, Deutsche Familienversicherung intends to take strategic steps to reduce its total emissions further. Deutsche Familienversicherung has purchased a certified regional emission reduction to offset its actual emissions in 2023. The certificate in question relates to the project Weilheim No. 01 in Upper Bavaria, which has its own PEFC certification (*Programme for the Endorsement of Forest Certification*).

According to the 2021 sustainability report published by the GDV on 10 November 2021, Deutsche Familienversicherung was part of the first group of German insurers to carry out offsetting (Scope 1 and Scope 2) in 2021. At 0.68 t CO_2 in 2023, the CO_2 emissions per full-time employee at Deutsche Familienversicherung were 14% below the industry average of 0.80 t CO_2 for German insurers calculated by the GDV for 2022 (source: GDV, 2023 sustainability report, p. 30). ESRS E1-6

Specific CO_2-related targets for the 2024 financial year relate to: ESRS E1-4

- reducing paper consumption in incoming and outgoing mail to 10% of 2022 levels
- limiting the room temperature in the office to 19 °C in winter (heating) or 23 °C in summer (cooling);
- the non-reimbursement of expense reports relating to meals using energy-intensive meat production and delivery (e.g. Argentinian steak houses).

Monitoring of Scope 3 emissions under the GHG Protocol

Other indirect greenhouse gas emissions (Scope 3) encompass company activities resulting from the use of products and services, including mobility. According to the GHG Protocol Scope 3 Standard (*Corporate Value Chain Accounting and Reporting Standard*), the GHG Protocol has 15 categories of Scope 3 emissions. We have examined the relevance of all 15 categories in this standard and consider five of them to be of relevance to Deutsche Familienversicherung. As part of at least annual monitoring, we measure the emissions of four of these relevant categories (*Purchased goods and services*, *Waste generated in operations*, *Employee commuting* and *Investments*).

At Deutsche Familienversicherung, the majority of Scope 3 emissions are attributable to the *Investments* category, which is addressed in more detail in the following section. *Employee commuting* was largely negated by the pandemic in 2020, 2021 and 2022. However, even before the emergence of COVID-19, all employees were entitled to claim a free job ticket for public transport. GRI 305-5

5.2.3 Sustainable capital investments

Deutsche Familienversicherung can, along with other investors, steer structural change in the direction of a lower-emission and more environmentally friendly society. We will focus our attention on sustainability risks for this reason, even as we continue to professionalise our investment management methods.

Strategies for dealing with sustainability risks

In its 'Guidance Notice on Dealing with Sustainability Risks' (published on 20 December 2019, updated on 13 January 2020), the German Federal Financial Supervisory Authority (BaFin) offers companies under its supervision guidance on how to deal with sustainability reports. In publishing this guidance, BaFin is expressing its expectation that supervised companies will deal with sustainability risks and document the process. The existing statutory regulations concerning the identification, assessment, monitoring, control and communication of significant risks must still always be adhered to – for Deutsche Familienversicherung, these are essentially the Minimum Requirements under Supervisory Law on the System of Governance of Insurance Undertakings (MaGo). Deutsche Familienversicherung has analysed the sustainability risks in accordance with the guidance published by BaFin and brought them into relation with established processes within the company. Significant risks, including any sustainability risks, are controlled actively by the risk management system of Deutsche Familienversicherung. With regard to capital investments, exclusion criteria are defined in order to limit sustainability risks and are described in more detail below (see Delegated Regulation 2021/1253 of 21 April 2021).

Decision-making processes in connection with capital investments are initially based on the business strategy of Deutsche Familienversicherung in conjunction with its risk strategy. The determinations in terms of riskiness, composition and diversification in particular are set out in a strategic asset allocation (SAA) for the investment portfolios. At Deutsche Familienversicherung, SAAs are determined separately on the level of guarantee assets and disposable assets. Sustainability risks are accounted for through internal forward-looking analyses (e.g. to analyse the 1.5 °C threshold of the Paris Agreement in investments) and through an explicit requirement in the investment guidelines, and are kept on a negative list by the asset manager and investment management firm. The purpose of this is to contribute to the development of the company overall while also making use of opportunities to optimise the risk/return profile. These opportunities were also highlighted by an analysis of the effects of ESG concepts and sustainable investments on the risk/return profiles of investments, published by the GDV on 13 April 2021. Investments undergo regular sensitivity and scenario analyses to identify current and potential future challenges (e.g. through more reliable data on financial climate risks), as described in BaFin's Sustainable Finance Strategy (see BaFin's Sustainable Finance Strategy of 5 July 2023).

Accounting for general sustainability risks

Deutsche Familienversicherung takes general sustainability risks into account when it makes investments. All investment-related decisions factor in minimum requirements relating to norm-based aspects (such as infringements against the principles of the United Nations Global Compact), ethical aspects (such as the production of anti-personnel mines) or ecological aspects (such as a large proportion of coal in energy generation). Capital investments that do not meet these standards are excluded from the investment universe, or deinvested. A specific percentage of the company's own investments which undergo positive or negative screening on the basis of environmental or social factors is unavailable, however. GRI G4-FS11

With regard to capital investments, Deutsche Familienversicherung works with the external asset manager MainFirst. MainFirst is a signatory to the Principles of Responsible Investing (PRI) which were developed by the UNEP Finance Initiative and the United Nations Global Compact in coordination with a group of expert institutional investors from around the world.

The purpose of defined exclusion criteria is to ensure that the investments of Deutsche Familienversicherung are consistent with the principles of the United Nations Global Compact and the International Labour Organisation, which aim to increase awareness of the environment, achieve social justice, safeguard human rights and ensure responsible corporate governance.

Specifically, on the basis of the joint concept of the German Investment Funds Association (BVI), the German Banking Industry Committee (DK) and the German Derivatives Association (DDV), Deutsche Familienversicherung does not invest in companies (in the form of shares and/or fixed-interest securities) which meet at least one of the following criteria:

- Over 30 per cent of turnover from the promotion and use of coal to generate energy;
- Over 5 per cent of turnover from tobacco production;
- Over 10 per cent of turnover from the development, operation and/or marketing of gambling or pornography;
- Serious infringements of the United Nations Global Compact (with no positive outlook);
- Revenue from the manufacture and/or sale of illegal weapons such as anti-personnel mines or cluster munitions.

With regard to investments in states and authorities, no investments are made that would restrict basic civil rights or liberties, increase corruption or accelerate climate change. For example, Deutsche Familienversicherung derives the specific exclusion criteria from a poor Freedom House Index score.

Deutsche Familienversicherung also takes sustainability aspects into consideration when it invests in funds (ETFs or mutual funds). Normally, there is no way to influence the investment guidelines. In this case, whether or not a fund complies with its own sustainability criteria to the greatest possible extent and whether the providers of the product set and implement their own criteria transparently are decisive factors for Deutsche Familienversicherung. This is checked critically initially and then regularly. Failure to take the sustainability criteria into account will result in the exclusion of the product initiator.

When investing in properties, either directly or through shares in funds, Deutsche Familienversicherung focuses on properties which are classed as sustainable. Investments in properties were reviewed for the first time for the 2023 report. On its own responsibility, Deutsche Familienversicherung consults asset managers and specialised data providers for information about key indicators relating to Taxonomy-aligned and non-Taxonomy-aligned activities. It is evident that the allocated property investments generally constitute a high degree of Taxonomy-eligible activities. Reviewing Taxonomy alignment is currently a challenge – more so than for companies – in terms of data availability. Deutsche Familienversicherung intends to take on this challenge to increase transparency for all stakeholders.

Taxonomy-aligned figures relating to capital investments

Annex XI to Delegated Regulation (2021)/2178 of 6 July 2021 stipulates that qualitative information must be reported to support the disclosure of quantitative KPIs. In accordance with Article 8 of the Taxonomy Regulation (EU 2020/852) and the Delegated Regulation of 6 July 2021 supplementing the Taxonomy Regulation (template in Annex X and background information pursuant to Annex XI), Deutsche Familienversicherung carried out a review of ETF shares and bond positions with Bloomberg, with consideration for the eReporting data from the asset management company and third-party providers of Taxonomy data. Furthermore, reported KPIs were taken from the companies' annual and sustainability reports in order to determine the proportion of 'Taxonomy eligibility' and 'Taxonomy alignment' per individual company. The remainder were categorised as 'Taxonomy non-eligible economic activities'. Instruments with no available reports and missing KPIs have been compiled in the corresponding exposure categories under Articles 19a and 29a of Directive 2013/34/EU for financial and non-financial undertakings. Following the notice published by the European Commission on 6 October 2022 (2022/C 385/01), the data used were examined.

As part of a further qualitative review, data and data generation methods belonging to data providers were inspected and critical issues were discussed with the asset management company, the asset manager, data providers and companies. Random data samples were examined and compared against the database; no deviations were identified.

This results in the following presentation of Annex X:

Template: The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned economic activities in relation to total investments	
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below: Turnover-based: 2.5 % Capital expenditures-based: 6.5 %	The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below: Turnover-based: € 5,593 thousand Capital expenditures-based: € 14,537 thousand
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities. Coverage ratio: 62.1 %	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities. Coverage: € 139,962 thousand
Additional, complementary disclosures: breakdown of denominator of the KPI	
The percentage of derivatives relative to total assets covered by the KPI: 0.0%	The value in monetary amounts of derivatives: € 4 thousand
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: 38.5 % For financial undertakings: 0.0 %	Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: € 86,785 thousand For financial undertakings: € 0 thousand
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: 1.3 % For financial undertakings: 6.4 %	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: € 2,869 thousand For financial undertakings: € 14,424 thousand
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: 2.5 % For financial undertakings: 0.0 %	Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: € 5,593 thousand For financial undertakings: € 0 thousand
The proportion of exposures to other counterparties over total assets covered by the KPI: 4.3 %	Value of exposures to other counterparties: € 9,755 thousand
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities: Turnover-based: 2.5 % Capital expenditures-based: 6.5 %	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities: turnover-based: € 5,593 thousand Capital expenditures-based: € 14,537 thousand
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI: 28.9%	The value of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities: € 65,178 thousand
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI: 32.3 %	Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned: € 72,741 thousand
Additional, complementary disclosures: breakdown of numerator of the KPI	
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: Turnover-based: 2.5 % Capital expenditures-based: 6.5 % For financial undertakings: Turnover-based: 0.0 % Capital expenditures-based: 0.0 %	Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: Turnover-based: € 5,593 thousand Capital expenditures-based: € 14,537 thousand For financial undertakings: Turnover-based: € 0 thousand Capital expenditures-based: € 0 thousand

The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities: Turnover-based: 2.5 % Capital expenditures-based: 6.5 %	The value of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities: Turnover-based: € 5,593 thousand Capital expenditures-based: € 14,537 thousand	
The proportion of Taxonomy-aligned exposures to other counterparties over total assets covered by the KPI: Turnover-based: 0.0 % Capital expenditures-based: 0.0 %	The value of Taxonomy-aligned exposures to other counterparties over total assets covered by the KPI: Turnover-based: € 0 thousand Capital expenditures-based: € 0 thousand	
Breakdown of the numerator of the KPI per environmental objective		
Taxonomy-aligned activities – provided 'do-not-significant-harm'(DNSH) and social safeguards positive assessment:		
1. Climate change mitigation	Turnover: % CapEx: %	Transitional activities: A% (Turnover; CapEx) Enabling activities: B% (Turnover; CapEx)
2. Climate change adaptation	Turnover: % CapEx: %	Transitional activities: A% (Turnover; CapEx) Enabling activities: B% (Turnover; CapEx)
3. The sustainable use and protection of water and marine resources	Turnover: % CapEx: %	Transitional activities: A% (Turnover; CapEx) Enabling activities: B% (Turnover; CapEx)
4. The transition to a circular economy	Turnover: % CapEx: %	Transitional activities: A% (Turnover; CapEx) Enabling activities: B% (Turnover; CapEx)
5. Pollution prevention and control	Turnover: % CapEx: %	Transitional activities: A% (Turnover; CapEx) Enabling activities: B% (Turnover; CapEx)
6. The protection and restoration of biodiversity and ecosystems	Turnover: % CapEx: %	Transitional activities: A% (Turnover; CapEx) Enabling activities: B% (Turnover; CapEx)

In the 2023 financial year, 2.5 % can be described as Taxonomy-aligned economic activities based on turnover and 6.5 % as based on CapEx. The share of Taxonomy-eligible investments of Deutsche Familienversicherung is 32.3 % (31 December 2022: 32.5 %). Additionally, the volume of investments taken into consideration here has risen significantly to € 225.463 million (€ 180.386 million as at 31 December 2022).

As part of the breakdown of the numerator of the KPI per environmental objective, Taxonomy-aligned activities cannot currently undergo a positive assessment by DNSH and social safeguards as the relevant data is unavailable.

Annex XI of Delegated Regulation (2021)/2178 of 6 July 2021 also stipulates that explanations of the nature and objectives of Taxonomy-aligned economic activities and their evolution over time must distinguish between business-related, methodological and data-related elements. Thanks to the initiative of the DFV Sustainability Board, important forward-looking analyses (such as GHG emissions and impacts of the Paris Agreement on investments) can be incorporated so as to address business-related and methodological elements that are of future relevance.

Data-related elements are important in terms of quantitative reporting. Currently, few companies report data relating to 'Taxonomy-aligned'. In future, various data providers will offer potential solutions here, although they are not sufficiently secure under current reporting standards. In future, analyses will be based on higher-quality underlying data, which will improve transparency significantly.

On the basis of the Delegated Regulation of 27 June 2023 concerning the Taxonomy Regulation, Deutsche Familienversicherung must report underwriting KPIs as follows.

Template: The underwriting KPI for non-life insurance and reinsurance undertakings									
	Substantial contribution to climate change adaptation			DNSH ('Do No Significant Harm')					
Economic activity (1)	Absolute premiums, year t (2)	Proportion of premiums, year t (3)	Proportion of premiums, year T-1 (4)	Climate change mitigation (5)	Water and marine resources (6)	Circular economy (7)	Pollution (8)	Biodiversity and ecosystems (9)	Minimum safeguards (10)
	Currency	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	0	0	0	N	N	N	N	N	N
A.1.1 Of which reinsured	0	0	0	N	N	N	N	N	N
A.1.2 Of which stemming from reinsurance activity	0	0	0	N	N	N	N	N	N
A.1.2.1 Of which reinsured (retrocession)	0	0	0	N	N	N	N	N	N
A.2 Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	0	0	0	N	N	N	N	N	N
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	0	0	0	N	N	N	N	N	N
Total (A.1 + A.2 + B)		100%	100%						

Deutsche Familienversicherung is not currently conducting any reportable business here. The reinsurance business also does not involve any demonstrably Taxonomy-eligible components.

Annex XI of Delegated Regulation (2021)/2178 of 6 July 2021 also requires reports to contain a description of compliance with Regulation (EU) 2020/852 in the financial undertaking's business strategy, product design processes and engagement with clients and counterparties. As they are still low, the current Taxonomy ratios are not suitable as indicators for the business strategy or adjustments to the product portfolio.

According to Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities, an undertaking's activities in the fossil gas and nuclear energy sectors must be reported.

Template 1 Activities in the fossil gas and nuclear energy sectors		
Goal s	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	Yes
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Deutsche Familienversicherung has allocated selected utility companies. Their activities and developments are reviewed on a regular basis in order to positively assess their suitability.

As part of the further development of its sustainable capital investments, Deutsche Familienversicherung makes internal use of 'equivalent' sustainability data within the scope of the Final Report on Draft Regulatory Technical Standards in Regulation 2019/2088 of 22 October 2021, as well as the Questions and Answers (Q&A) on the SFDR Delegated Regulation (Commission Delegated Regulation (EU) 2022/1288). These are based on and derived from reported company figures. The goal of this development is to generate additional findings for future investments and reports. As such, Deutsche Familienversicherung expects to continue to be able to pursue a forward-looking investment strategy. External reports are not currently prepared on this.

Pursuant to Annex XII (of Delegated Regulation (EU) 2022/1214) and templates 2–5, further Taxonomy-eligible and Taxonomy-aligned economic activities must be reported by shares of turnover and CapEx (investment expenses):

Template 2 Taxonomy-aligned economic activities by turnover (denominator), monetary amounts in € thousand

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.2	0.0	0.2	0.0		
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0		
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	687	13.3	687	13.3		
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.3	0.0	0.3	0.0		
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.3	0.0	0.3	0.0		
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0		
7.	Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	4,498	86.7	4,498	86.7		
8.	Total applicable KPI	5,186	100.0	5,185	100.0		

Template 3 Taxonomy-aligned economic activities by turnover (numerator), monetary amounts in € thousand

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.3	0.0	0.3	0.0		
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0		
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1,829	6.4	1,829	6.4		
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.9	0.0	0.9	0.0		
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.6	0.0	0.6	0.0		
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0		
7.	Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	26,993	93.6	26,983	93.6		
8.	Total amount and proportion of Taxonomy-aligned economic activities in the numerator of the applicable KPI	28,824	100.0	28,814	100.0		

Template 4 Taxonomy-eligible but not Taxonomy-aligned economic activities by turnover, monetary amounts in € thousand

Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
2.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9	0.0	9	0.1		
3.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	38	0.0	38	0.2		
4.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	721	2.0	721	3.7		
5.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	229	0.6	229	1.2		
6.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	11	0.0	11	0.1		
7.	Amount and proportion of other Taxonomy-eligible but not Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	27,602	75.8	18,234	94.8	317	100.0
8.	Total amount and proportion of Taxonomy eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI	36,435	100.0	19,331	100.0	317	100.0

Template 5 Taxonomy non-eligible economic activities by turnover, monetary amounts in € thousand

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	150	0.7
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	869	4.2
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	217	1.0
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0
7.	Amount and proportion of other Taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	19,693	94.1
8.	Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI	20,929	100.0

The following values must be reported by CapEx (investment expenses):

Template 2 Taxonomy-aligned economic activities by CapEx (denominator), monetary amounts in € thousand

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	114	0.8	114	0.8		
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,020	7.4	1,020	7.4		
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	52	0.4	52	0.4		
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	47	0.3	47	0.3		
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
7.	Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	12,489	91.0	12,489	91.0		
8.	Total applicable KPI	13,721	100.0	13,721	100.0		

Template 3 Taxonomy-aligned economic activities by CapEx (numerator), monetary amounts in € thousand

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	190	0.7	190	0.7		
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1,553	5.4	1,553	5.4		
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	62	0.2	62	0.2		
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	57	0.2	57	0.2		
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0		
7.	Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	26,933	93.5	26,933	93.5		
8.	Total amount and proportion of Taxonomy-aligned economic activities in the numerator of the applicable KPI	28,795	100.0	28,795	100.0		

Template 4 Taxonomy-eligible but not Taxonomy-aligned economic activities by CapEx, monetary amounts in € thousand

Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
2.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
3.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	65	0.3	65	0.5		
4.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	37	0.2	37	0.3		
5.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
6.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0		
7.	Amount and proportion of other Taxonomy-eligible but not Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	23,354	99.5	14,147	99.2	317	100.0
8.	Total amount and proportion of Taxonomy eligible but not Taxonomy-aligned economic activities in the denominator of the applicable KPI	23,456	100.0	14,249	100.0	317	100.0

Template 5 Taxonomy non-eligible economic activities by CapEx, monetary amounts in € thousand

Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	834	5.5
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	164	1.1
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0
7.	Amount and proportion of other Taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	14,027	93.4
8.	Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the applicable KPI	15,025	100.0

5.2.4 Sustainable actuarial practices

In line with the Commission Delegated Regulation of 6 July 2021 supplementing the Taxonomy Regulation, Deutsche Familienversicherung has set up a process to identify Taxonomy-aligned insurance activities, check whether a substantial contribution to climate change mitigation is being made and verify that no negative contributions are being made to any of the other environmental goals (in keeping with the principle of *do no significant harm*). In line with Annex II of the Commission Delegated Regulation, the non-life segments operated by Deutsche Familienversicherung can generally be Taxonomy-aligned, provided that the segments relate to the following insured hazards: temperature, wind, water and earth. As, however, the cover provided by Deutsche Familienversicherung largely concerns personal injury, the insured hazards above are irrelevant overall. Consequently, the share of premium income that is to be published as Taxonomy-aligned in keeping with Annex II of the Commission Delegated Regulation is negligible, so it has not been published at this point. For example, the share of contents insurance in the total premium income of Deutsche Familienversicherung is below 1 % in 2023 again, whereas no risks are underwritten in the building insurance segment.

5.3 Social information

This section on social information contains the disclosure requirements that relate to the material impacts of Deutsche Familienversicherung on its own workforce, as well as the related material risks and opportunities. This section also explains the impacts on policyholders, as consumers and end users, in connection with the business activities and value chain of Deutsche Familienversicherung, as part of insurance products as well as through business relationships and the associated material risks and opportunities.

5.3.1 Own workforce

The promotion and development of employees must be a priority if we are to be able to attract and retain employees in future. We are focused on motivated, dedicated and well-trained employees with whom Deutsche Familienversicherung can continue on its successful course. Employee concerns are of very great importance to Deutsche Familienversicherung in this regard. Annual interviews with all employees are used to provide performance evaluations and discuss professional development. GRI 404-3 These measures are part of the policies that address the management of material impacts of products and/or services on the workforce, as well as associated material risks and opportunities. ESRS S1-1

Engagement with own workers

At regular employee meetings, jours fixes for department managers and other purpose-bound gatherings, the management not only explains strategies, measures and targets, but also expressly incorporates the views of its own workforce into decisions or activities. In particular, this is the case when they are associated with actual or potential impacts on the company's own workers. ESRS S1-2 There are also formal means and processes by which the company's own workers can make their concerns and needs known. As part of this, insurance undertakings are already obliged under section 23, paragraph 6 of the VAG to establish a procedure that enables employees to report potential or actual violations of legal regulations anonymously. The German Whistleblower Protection Act also governs the establishment of a whistleblowing system and applies on a supplementary basis where the VAG does not contain any stipulations. The whistleblowing system implemented by Deutsche Familienversicherung through a separate policy is part of its organisational structure and compliance culture. ESRS S1-3

Characteristics of own workers

The following table summarises key characteristics of workers within the workforce. ESRS S1-6

	Disclosure Requirement ESRS S1-6 no.	31.12.2023
Total number of employees by head count and breakdown by gender	50 a) and 50 b)i	206
of whom female		107
of whom male		99
of whom employed abroad		0
Total number of temporary employees	50 b) i.	0
Total number of non-guaranteed hours employees	50 b) ii.	0
Part-time employees, broken down by gender	52 b)	34
of whom female		25
of whom male		9

Diversity enriches Deutsche Familienversicherung, including gender, family background, religion, world-view, age, sexual orientation, disability and other attributes protected by the law. In the 2022 financial year, the management of the supreme governing body of Deutsche Familienversicherung was handed over to a woman as Chairwoman of the Supervisory Board for the first time. A woman was appointed as a member of the Executive Board for the first time in the 2023 financial year. GRI 405-1 The following table presents diversity indicators for the workforce, including the gender balance on the highest level of management and the age distribution among employees. ESRS S1-9

	Disclosure Requirement ESRS S1-9 no.	31.12.2023
Gender balance by percentage on the highest level of management	66 a)	25%
Distribution of employees by age group	66 b)	
of whom under 30 years		65
of whom 30 to 50 years		97
of whom over 50 years		44

On 20 November 2023, the Executive Board of Deutsche Familienversicherung decided to set a target of 50 % of women in the top two management tiers below the Executive Board to be achieved by 31 October 2028 (section 76, paragraph 4 of the AktG). For further details, please refer to the corporate governance report.

Through their obligatory contributions to statutory health, long-term care, accident, pension and unemployment insurance schemes (‘social insurance’), all of Deutsche Familienversicherung’s own workers enjoy social protection against income loss due to major life events, including sickness, unemployment starting from when the own worker is working for the undertaking, employment injuries and acquired disabilities, maternity leave and retirement. There are a few exceptions in cases in which a worker is covered by a professional pension scheme, especially the pension scheme of lawyers in the state of Hesse (‘Versorgungswerk der Rechtsanwälte im Lande Hessen’). ESRS S1-11

As at 31 December 2023, none of Deutsche Familienversicherung’s own employees had disabilities. ESRS S1-12

Training and skills development for the own workforce

In line with SDG 4 – Quality education, Deutsche Familienversicherung regards the qualification and further development of its employees as an important objective. Knowledge and education are particularly important for a company characterised by digital business processes and innovation. In this context, we continued to support diverse training and development measures in the 2023 financial year.

With the aim of developing executives further, Deutsche Familienversicherung formed a management promotion group in the 2023 financial year. Management techniques were explained, practical tips offered and experiences shared in a series of training courses, presentations and discussions with managers. Deutsche Familienversicherung also continuously employs interns and working students in order to contribute to the qualification and further development of young people. It has also partnered with Frankfurt University of Applied Sciences to provide combined study programmes in IT.

In the 2023 financial year, Deutsche Familienversicherung provided financial support to the Association for the Promotion of Mathematics at Goethe University Frankfurt. In 2023, we also decided to award a Deutschlandstipendium scholarship to three talented young IT and economics/accounting students at Goethe University Frankfurt. ESRS S1-13

	Disclosure Requirement ESRS S1-13 no.	2023
Percentage of employees that participated in regular performance and career development reviews	83 a)	100 %
Average number of training hours per employee	83 b)	15 hours, regardless of gender

Health, sense of responsibility and information

As is typical for its type of business, occupational health and safety issues such as accidents at work or work-related illnesses at Deutsche Familienversicherung are largely limited to accidents while commuting to work. GRI 403-9, GRI 403-10 Regardless of pandemics or other exceptional circumstances, occupational health and safety issues are a high priority. Employees were and are also notified of these measures on internal communication channels and through training at regular intervals. GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-6, GRI 403-7, GRI 403-8

In the 2023 financial year, there were no fatalities due to work-related injuries or work-related ill health. ESRS S1-14

	Disclosure Requirement ESRS S1-14 no.	2023
Number of incidents associated with work-related injuries, ill health and fatalities of its own workforce	86	0
Percentage of people in its own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines	88 a)	100%
Number of fatalities as a result of work-related injuries and work-related ill health	88 b)	0
Number of recordable work-related accidents	88 c)	0
Number of cases of recordable work-related ill health, subject to legal restrictions on the collection of data	88 d)	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	88 e)	0

The following table presents the extent to which the employees of Deutsche Familienversicherung are entitled to and take family-related leave. ESRS S1-15

	Disclosure Requirement ESRS S1-15 no.	2023
Percentage of employees entitled to take family-related leave	93 a)	100%
Percentage of entitled employees that took family-related leave, and a breakdown by gender	93 b)	
of whom female		2.92%
of whom male		1.95%

Human rights aspects and social aspects

We are committed to safeguarding human rights. Likewise, we stand for equal opportunities in recruitment and employment as well as occupational health and safety. Human rights are a cornerstone of everything we do as a company. Our managers are of particular significance when it comes to putting these values into practice. No cases of discrimination were reported in the 2023 financial year. Consequently, no sanctions or payments of compensation were triggered either. GRI 406-1 from ESRS S1-17

Investment agreements where Deutsche Familienversicherung carries out a check with regard to human rights aspects and/or social aspects are essentially limited to capital investments, which is why we refer to the disclosures in section

6.3.3. GRI 412-3 This also concerns risks relating to child labour GRI 408-1, risks relating to forced or compulsory labour GRI 409-1 and operations with significant actual and potential negative impacts on local communities GRI 413-2. At Deutsche Familienversicherung, assessments of new and existing suppliers on the basis of social criteria are essentially limited to reinsurance companies. Working on the basis of long-term relationships with selected reinsurance partners, we verify that they are adhering to sustainability criteria along the value chain. GRI 414-1

5.3.2 Consumers and end users

In this section, we report on material impacts on policyholders in connection with the business activities and value chain of Deutsche Familienversicherung. Initially, these include both positive and negative (actual or potential) impacts on consumers (customers), any action taken to prevent, reduce or eliminate actual or potential negative impacts and to manage risks and opportunities, as well as any financial impacts of the material risks and opportunities that might arise from the impacts and dependencies of the company with regard to policyholders in the short, medium and long terms.

In order to know the needs and expectations of its customers and potential customers as well as possible, Deutsche Familienversicherung regularly takes an integrated approach to obtain information about need for cover for potential personal injuries and damage to property. With regard to the business model of Deutsche Familienversicherung, aspects relating to the personal safety of policyholders and risks to be insured (including health, personal safety and child protection) play a key role. These are supported by information-related aspects and impacts (including privacy and access to information) as well as aspects relating to the social inclusion of policyholders. One of the key objectives of Deutsche Familienversicherung's business strategy is to provide broad segments of the population with access to quality insurance products. Our credo 'Simple. Sensible.' describes the responsible marketing practices centred on understandable insurance products. Respect for the human rights of consumers is another priority in this context. ESRS S4-1

In particular, Deutsche Familienversicherung engages with consumers through customer surveys, be they structured questionnaires, telephone interviews or written correspondence. Consumers and end users are normally surveyed directly. In the cases in which Deutsche Familienversicherung works with qualified intermediaries or brokers, they are also surveyed because they enjoy direct access to consumer-related information. Within Deutsche Familienversicherung, the Head of Product Development bears responsibility for this in close coordination with the Chief Sales Officer. The information collected on a regular basis in this fashion is compared and verified with the findings from independent product placements, such as Stiftung Warentest. ESRS S4-2

Customers of Deutsche Familienversicherung can share their concerns and needs directly. Dedicated complaint mechanisms, which are part of the business relationships, have been established for this purpose. Deutsche Familienversicherung believes that establishing a functional, transparent complaint system is a cornerstone of a good business organisation and of an effective risk management system pursuant to section 23, paragraph 3, sentence 2, section 26 and section 51 of the VAG. Likewise, section 7, paragraph 2 of the German Insurance Contract Act (VVG) in conjunction with the Regulation on Information Obligations for Insurance Contracts (VVG-InfoV), contains requirements relating to providing policyholders with information about the processing of complaints. Furthermore, the European regulatory authority EIOPA published its Guidelines on Complaints-Handling by Insurance Undertakings in 2012, which BaFin adopted as a collective decree (CZ.VA 43-I 2512 2013/0007) on 20 September 2013 and published in a supplementary circular (VA 3/2013). BaFin had previously published guidelines for handling complaints for insurance undertakings in a separate circular (VA 1/2006) on 23 March 2006. Separate complaint management guidelines, which are reviewed annually, are in place within Deutsche Familienversicherung. These guidelines govern the process from receipt (potentially in the form of a simple departmental complaint, an Executive Board complaint, an ombudsman complaint or a BaFin complaint) and documentation of the complaint through to its processing. The CEO has appointed a Customer Complaints and Satisfaction Officer (CCSO) who is subject to special reporting obligations. ESRS S4-3

At Deutsche Familienversicherung, the action taken, planned or in the pipeline to prevent, reduce or eliminate negative impacts on consumers and/or end users depends on the individual case in question. However, the role of the CCSO and their reporting obligations alone should ensure that a remedy is found for consumers or end users quickly, promptly and professionally (whether or not a complaint is filed). ESRS S4-4

In light of the aforementioned process of accounting for customer needs and of documenting and processing customer complaints, Deutsche Familienversicherung opts not to use timed and/or outcome-oriented targets to drive and measure progress in the management of material negative impacts and/or in the promotion of positive impacts on consumers and/or end users and/or in the management of material risks and opportunities related to consumers and/or end users. ESRS S4-5

5.4 Governance information

Corporate culture and business conduct policies

The term 'reliability' is of great significance to Deutsche Familienversicherung. We see reliability as a guiding principle for everything we do, both internally and externally. An insurance company must keep its promise because customers rely on it in turn. As an employer, reliability has a direct effect on the management principles that should apply in a company. GRI 102-16

The principles of management of Deutsche Familienversicherung set reliable guidelines for employees and their superiors. GRI 205-1 The clarity of our insurance products and the test results from well-known rating agencies should enable customers to rely on us without having to take a closer look at us. This goes for all the insurance business of Deutsche Familienversicherung. These maxims, in combination with guidelines and policies, shape key aspects of Deutsche Familienversicherung's business conduct and corporate culture. ESRS G1-1

Management of relationships with reinsurers

As is normal for this type of business model, relationships with suppliers at Deutsche Familienversicherung mainly concern reinsurers. Deutsche Familienversicherung has placed reinsurance with selected reinsurance partners with outstanding performance, unparalleled motivation and immaculate reputations. The performance and motivation of these partners are reviewed continuously, both internally and with the support of a mandated reinsurance broker. In addition to the aforementioned review of reinsurers' performance and motivation, Deutsche Familienversicherung has been conducting a supplier social assessment every year since 2021. GRI 414 On the basis of a review of the CSR reports published by the reinsurers, Deutsche Familienversicherung judges – focusing on social sustainability criteria – whether these undertakings have implemented processes or targets to comply with sustainability criteria along the value chain. ESRS G1-2

Prevention and detection of corruption or bribery

Deutsche Familienversicherung does not tolerate any form of corruption or bribery. Accepting and demanding gifts or other advantages is fundamentally prohibited if it jeopardises or may jeopardise the interests of Deutsche Familienversicherung or its impartiality and ability to make professional decisions. For specific details, please refer to the Code of Conduct for Employees of Deutsche Familienversicherung, which is binding for Deutsche Familienversicherung and all of its subsidiaries.

Addressing concerns and grievances openly makes a crucial contribution to misconduct occurring less frequently and being detected and corrected at an early stage. Therefore, Deutsche Familienversicherung values an open environment in which employees are able to take even critical matters to their superiors or the Executive Board in confidence and without fear. Managers should encourage employees to speak out openly and support them. Expressed concerns are followed up on fairly and without prejudice. Attempts at intimidation and reprisals against employees who report actual or suspected misconduct in good faith do not occur and are not tolerated under any circumstances. However, if employees are reluctant to discuss their concerns with a direct superior, they can use the whistleblowing system that is in place at Deutsche Familienversicherung. This enables employees to report potential or actual violations of legal regulations anonymously.
Breaches of compliance can lead to considerable damage to the reputation of Deutsche Familienversicherung as well as financial repercussions such as fines. For employees, breaches of compliance can lead to consequences under criminal law (such as criminal charges, fines or imprisonment) as well as lawsuits and disciplinary action, including a written warning or (immediate) termination and damages. ESRS G1-3

There were no incidents of corruption or bribery in the reporting period. ESRS G1-4

Promotion of culture and the formation of political will

With a view to promoting culture in the local area around its headquarters, Deutsche Familienversicherung provided financial support to the museum association Städelschen Museumsverein e.V. and the performing arts association Frankfurter Patronatsverein für die Städtischen Bühnen e.V. in 2023. In terms of social cohesion, we made a donation to the Christian Democratic Union of Germany in the 2023 financial year. GRI 415-1 ESRS G1-5

As part of its sustainability principles and targets, Deutsche Familienversicherung also supports 'Frankfurt Next Generation', which is an initiative run by Polytechnische Gesellschaft in cooperation with Polytechnische Stiftung. It aims to develop a vision of the future of Frankfurt that uses concrete examples to show people what their city will have to look like from 2035 onwards to respond to the impacts of climate change in a major city. It also aims to motivate citizens to take responsibility for shaping their own city.

6 CORPORATE GOVERNANCE REPORT AND DECLARATION OF CORPORATE MANAGEMENT ACCORDING TO SECTIONS 289F AND 315D OF THE GERMAN COMMERCIAL CODE

6.1 Corporate governance report

Both the Executive Board and the Supervisory Board are to provide an annual corporate governance report, which is to be published together with the declaration of corporate management.

Corporate governance means responsible, transparent corporate management and supervision aimed at sustainable value creation. Corporate governance in this sense is essential for the success of Deutsche Familienversicherung and builds confidence in the company by policyholders, business partners, employees and shareholders.

Dual system of governance with Executive Board and Supervisory Board

As a listed stock corporation, Deutsche Familienversicherung is subject to the provisions of the German Stock Corporation Act (AktG), among others. A basic principle of German stock corporation law is a dual management system consisting of an executive board and a supervisory board. The executive board is responsible for the management, direction and orientation of the company. The supervisory board is responsible for appointing and determining the remuneration of the members of the executive board, as well as advising and supervising their activities. At Deutsche Familienversicherung, both of these bodies work together in the best interest of the company on a spirit of trust.

In the 2023 reporting year, the Executive Board of Deutsche Familienversicherung consisted of three members from January to March, four members from April to May, five members from June to July and four members from August onwards. The Executive Board determines the business policy and the company's strategic orientation. The Executive Board manages the company in its own responsibility, with the aim of creating sustainable value in the best interest

of the company. It is also responsible for the preparation of the annual financial statements and the consolidated financial statements. Details of the functioning of the Executive Board are included in the declaration of corporate management.

In the 2023 financial year, the Supervisory Board of Deutsche Familienversicherung consisted of three members from 24 May 2023 onwards (previously five). The Supervisory Board consists of members that will ensure comprehensive advice and supervision of the Executive Board. It can therefore be expected that the Supervisory Board members possess knowledge in the areas of equity investment, insurance, accounting and auditing. Details of the functioning of the Supervisory Board are included in the declaration of corporate management.

Members of the Executive Board may neither demand nor accept payments or other unjustified advantages from third parties in connection with their function, either for themselves or for other persons, nor must they grant unjustified advantages to third parties.

When making decisions, members of the Supervisory Board may not pursue personal interests or business opportunities to which the company or the group are entitled for themselves or third parties.

Members of both the Executive and Supervisory Boards must report any conflicts of interest to the Supervisory Board.

Annual General Meeting

The Annual General Meeting (AGM) is another body of the company. This is where the shareholders of Deutsche Familienversicherung exercise their rights. All shares issued by Deutsche Familienversicherung are no-par bearer shares with identical rights and obligations. Each share is entitled to one vote for AGM resolutions.

The AGM takes place within the first eight months of each financial year and conducts all business for which it is responsible by law.

The AGM is chaired by the chairperson of the Supervisory Board or another member of the Supervisory Board designated by them.

Resolutions of the AGM are passed by a simple majority of the votes cast, unless mandatory statutory provisions or the company's articles of association prescribe a higher majority.

Accounting and audit

Accounting for the consolidated financial statements at Deutsche Familienversicherung including its subsidiaries (DFV Group) is carried out in accordance with section 315e of the German Commercial Code (HGB) and based on the International Financial Reporting Standards (IFRS) as adopted for the European Union. The annual financial statements of Deutsche Familienversicherung are prepared in accordance with German legislation, in particular the Regulation on the Accounting of Insurance Undertakings (RechVersV) and the German Commercial Code (HGB).

The auditor was selected by the AGM and the Supervisory Board subsequently instructed the auditor to carry out the audit. The Supervisory Board monitors the audit of the financial statements, including the independence, qualification, rotation and efficiency of the audit.

The audit includes both the single-entity financial statements for DFV Deutsche Familienversicherung AG and the consolidated financial statements for the group.

Communication and transparency

Transparent management and corporate governance as well as and open communication have always been a high priority for Deutsche Familienversicherung, even more for an exchange-listed company because prompt, consistent and comprehensive information and communication builds the confidence of investors and the general public.

Whenever it publishes new information, the Executive Board therefore always acts on the principles of transparency, openness and clarity, as well as immediacy and equal treatment of shareholders and investors.

Investor Relations publishes all relevant information regarding the company's position and performance, any announcements, such as press releases, ad-hoc announcements, voting rights announcements and directors' dealings announcements, as well as financial reports and the financial calendar.

Further reporting on the company's results is provided in the annual and interim financial statements and other financial reports. Members of the Executive Board also communicate financial information with relevant market participants at both domestic and international conferences and roadshows.

The Executive Board has committed itself to reporting to employees once a quarter on the business results as well as on the challenges that lie ahead.

6.2 Corporate governance statement

Listed stock corporations are required to include a corporate governance statement in their management report.

Adherence to the German Corporate Governance Code

In April 2024, the Executive Board and Supervisory Board of Deutsche Familienversicherung issued the following statement on the German Corporate Governance Code in accordance with section 161 of the AktG:

‘Declaration of compliance with the German Corporate Governance Code

Pursuant to section 161, paragraph 1 of the AktG, the Executive Board and Supervisory Board of a listed German stock corporation are obliged to declare once a year whether the recommendations of the German Corporate Governance Code (GCGC) have been and are being complied with, or which recommendations of the Code have not been or are not being applied and why not.

The Executive Board and the Supervisory Board of DFV Deutsche Familienversicherung AG declare that Deutsche Familienversicherung will comply with the recommendations of the Code (in the version dated 28 April 2022) with the following exceptions:

Recommendation A.8
In the event of a takeover offer, the Management Board should convene an Extraordinary General Meeting at which shareholders will discuss the takeover offer and may decide on corporate actions.

The company does not follow this recommendation because more than 60 % of the shares are held by the founder and senior shareholders who will decide on a takeover offer independently of the Annual General Meeting.

Recommendation B.2
Together with the Management Board, the Supervisory Board shall ensure that there is long-term succession planning. The approach shall be described in the Corporate Governance Statement.

The company does not follow this recommendation in that the approach to long-term succession planning, as an internal matter, is not described in the corporate governance statement.

Recommendation B.5
An age limit shall be specified for members of the Management Board and disclosed in the Corporate Governance Statement.

The company does not follow this recommendation because it sees this as an infringement of the German General Act on Equal Treatment (AGG).

Recommendation C.1, sentence 2
The Supervisory Board shall determine specific objectives regarding its composition, and shall prepare a profile of skills and expertise for the entire Board, while taking the principle of diversity into account.

The company does not follow this recommendation because the company does not have a separate diversity strategy with regard to the composition of the Supervisory Board. Equal opportunities and rejecting all forms of discrimination are firmly embedded in the company’s corporate policy. That means that the only criteria taken into consideration when appointments are made to the Supervisory Board and all other positions in the company are the candidates’ qualifications and skills. Other factors, such as gender, race, age, colour, religion, marital status, sexual orientation and origin, are of no relevance. When it proposes candidates to the Annual General Meeting for election to the Supervisory Board, the Supervisory Board adheres to a fundamental profile of requirements centred on professional qualifications and skills, knowledge of the industry and the statutory requirements, even if the candidate represents a significant portion of its own shares.

Recommendation C.2

An age limit shall be specified for members of the Supervisory Board and disclosed in the Corporate Governance Statement.

The company does not follow this recommendation because it sees this as an infringement of the German General Act on Equal Treatment (AGG).

Recommendation C.7

More than half of the shareholder representatives shall be independent from the company and the Management Board.

The company does not follow this recommendation because the key portions of shares are represented by its own representatives on the Supervisory Board.

Recommendation D.1

The Supervisory Board shall adopt its own rules of procedure and shall publish these on the company's website.

Although the Supervisory Board has adopted rules of procedure, it has decided not to publish them on the website of the company because the rules of procedure for the Supervisory Board are a purely internal document.

Recommendation D.4

The Supervisory Board shall form a Nomination Committee, composed exclusively of shareholder representatives, which names suitable candidates to the Supervisory Board for its proposals to the General Meeting.

The company does not follow this recommendation because it is of the opinion that, given the size of the company and the number of Supervisory Board members, the formation of a nomination committee would involve a disproportionate amount of organisational work for the company.

Recommendation G.1, first and second bullet points

The remuneration system shall define, in particular, how the target total remuneration is determined for each Management Board member, and the proportion of (i) fixed remuneration and (ii) short-term and long-term variable remuneration in the target total remuneration.

The company does not follow this recommendation in that the remuneration system does not set out a method to determine 'how' the remuneration of Executive Board members is to be fixed. The company does not believe that its development is so advanced yet that it would be proper to set out a fixed definition for such a method. Nevertheless, the Supervisory Board will define values for each portion of the variable remuneration which correspond to a 100% target accomplishment rate. For these reasons, the disclosures relating to the relative portions of the remuneration components do not concern the target total remuneration, but rather the maximum total remuneration.

Recommendation G.3

In order to assess whether the specific total remuneration of Management Board members is in line with usual levels compared to other enterprises, the Supervisory Board shall determine an appropriate peer group of other third-party entities, and shall disclose the composition of that group.

The company does not follow this recommendation because it believes that this recommendation is not appropriate for a small, dynamically growing company, and that it does not seem necessary in order to ensure that the remuneration of the Executive Board members is always appropriate.

Recommendation G.4

To ascertain whether remuneration is in line with usual levels within the enterprise itself, the Supervisory Board shall take into account the relationship between Management Board remuneration and the remuneration of senior managers and the workforce as a whole, and how remuneration has developed over time.

The company does not follow this recommendation. Regarding the question of what remuneration is appropriate for the Executive Board members, the Supervisory Board does not take the relationship between the remuneration of the Executive Board members and that of senior managers into account at all, including its development over time. Consequently, the Supervisory Board also does not define the boundary between senior managers and the relevant workforce for the comparison. This recommendation appears impractical and also unsuitable for ensuring that the remuneration of the members of the Executive Board is always appropriate.

Recommendation G.7

Referring to the forthcoming financial year, the Supervisory Board shall establish performance criteria for each Executive Board member covering all variable remuneration components; besides operating targets, such performance criteria shall be geared mainly to strategic goals. The Supervisory Board shall determine to what extent individual targets for each Executive Board member – or targets for the Executive Board as a whole – are decisive for the variable remuneration components.

So far, the company has not followed this recommendation because individual Executive Board objectives contradict the idea of an Executive Board as a collegiate body. As part of a proposed simplification of the existing bonus system for the members of the Executive Board which is currently planned to be proposed to the Annual General Meeting, consideration is being given to setting individual targets for the members of the Executive Board, in line with the recommendation.

Recommendation G.8

Subsequent changes to the target values or comparison parameters shall be excluded.

The company does follow this recommendation in general, although the remuneration system adopted by the Annual General Meeting in 2021 grants the Supervisory Board the right, with regard to the variable long-term remuneration, to 'cash in' an earlier goal if upholding it is no longer in the interest of the company.

Recommendation G.10, sentence 1

Taking the respective tax burden into consideration, Management Board members' variable remuneration shall be predominantly invested in company shares by the respective Management Board member or shall be granted predominantly as share-based remuneration.

The company does not follow this recommendation because although the members of the Executive Board are obliged to invest half of their variable remuneration in company shares, they are not obliged to invest anything more than half of the remuneration in company shares. Given the size of the company, this recommendation does not seem necessary in order to align the interests of the Executive Board members and shareholders if half of the variable remuneration already has to be invested in company shares, especially as the majority of the remuneration of the Executive Board members is fixed and the variable remuneration only makes up a small part of the total remuneration.

Recommendation G.10, sentence 2

Granted long-term variable remuneration components shall be accessible to Management Board members only after a period of four years.

The company does not follow this recommendation. The variable remuneration components for a year are earned and disbursed in a staggered manner over a three-year period. As the majority of the remuneration of the Executive Board members is fixed, it seems neither appropriate nor necessary for the members of the Executive Board to only be able to dispose of the variable remuneration after four years.

Recommendation G.11

The Supervisory Board shall have the possibility to account for extraordinary developments to an appropriate extent. It shall be permitted to retain or reclaim variable remuneration, if justified.

The remuneration system for the Executive Board does not provide for retaining or reclaiming variable remuneration. The Supervisory Board does not consider rights to retain or reclaim appropriate, given the structure of the remuneration system and the amount of the variable remuneration. Otherwise, the general statutory regulations apply. For example, where the economic situation of the company deteriorates at a time following the determinations such that the continued granting of the emoluments pursuant to paragraph 1 would be inequitable for the company, the Supervisory Board is to reduce the emoluments to a reasonable amount pursuant to section 87, paragraph 2 of the AktG.

Recommendation G.13, sentence 1

Any payments made to a Management Board member due to early termination of their Management Board activity shall not exceed twice the annual remuneration (severance cap) and shall not constitute remuneration for more than the remaining term of the employment contract.

The company follows this recommendation to a limited extent. The contract of the chairperson of the Executive Board, as the founder and an important shareholder of the company, is excluded from this recommendation.

Frankfurt am Main, 22 April 2024

The Executive Board The Supervisory Board

Corporate governance practices

In addition, Deutsche Familienversicherung has established a governance system that enables solid and prudent management of the insurance business. This governance system comprises the four key functions: risk management, compliance, actuarial mathematics and internal audit. The main pillars of the system are the establishment of suitable processes in the area of key functions and the company's own-risk and solvency assessment (ORSA), internal controls and outsourcing.

Deutsche Familienversicherung has a functioning and effective internal control system that ensures company-specific management and compliance with regulatory requirements, and thus the proper functioning of its business activities and the reliability of information and reporting.

The internal control system is supplemented by the key function of internal audit, which independently and objectively conducts risk-oriented reviews of the business segments and the company-specific processes, procedures and systems in accordance with the established audit plan.

Compliance means compliance with laws, including observance of the principles of morality, and ensuring legal conduct in a company organisation.

Compliance is a fundamental matter for Deutsche Familienversicherung and its employees. For Deutsche Familienversicherung, compliance means not only legality and risk avoidance, but also a responsible value orientation.

It is the goal of the compliance management system of Deutsche Familienversicherung to avoid compliance risks, in particular financial risks and damage to reputation, and to create a compliance culture that is embodied by the company.

The compliance management system of Deutsche Familienversicherung is responsible for the compliance with and monitoring of the legal and regulatory requirements applicable to insurance operations. In addition to advising the Executive Board on the laws and administrative regulations applicable to the operation of the insurance business, it assesses the possible effects of changes in the legal environment and risks associated with non-compliance with the legal requirements.

The compliance key function reports regularly to the company's Executive Board as part of the compliance report or, if there is direct cause, directly in the form of an ad hoc report. Additionally, all key functions report directly to the Executive Board in a key function meeting held regularly at least once per quarter.

Functioning of the Executive Board

The Executive Board conducts the company's business with due care and diligence in accordance with the provisions of the law, the company's articles of association and its rules of procedure.

The Executive Board as a whole is responsible for managing the company. The members of the Executive Board are therefore jointly responsible for the management and compliance with legal requirements.

Irrespective of the overall responsibility of the Executive Board, the individual members independently manage the departments assigned to them in accordance with the schedule of responsibilities. The departments were mainly grouped as follows in 2023:

- Human Resources, Legal and Compliance (key function), Corporate Communications, Internal Audit* (key function), Product Development (Dr Knoll)
- Accounting, Controlling, Solvency II, Independent Risk Control Unit* (key function), Capital Investments, Actuarial Services, Actuarial Mathematics (key function)*, Reinsurance, Operations, Claim/Payment (Dr Paetzmann)
- Sales and Marketing (Kaschel since 1 April 2023)
- IT, IT Security, Digital Transformation (Dr Hornung since 1 June 2023)

* According to BaFin circular 2/2017 (VA), section 8.1.3 (no. 30), as a solution for the Executive Board as a whole.

The Executive Board meets regularly, at least once a month, for Executive Board meetings chaired by the chairperson of the Executive Board. Each member of the Executive Board is entitled to nominate items and topics for the agenda. The meetings serve to vote on, deliberate and pass resolutions.

If possible, resolutions of the Executive Board should be passed unanimously; otherwise, the resolution is passed by a simple majority of the votes cast, unless other majorities are stipulated by law, the articles of association or the rules of procedure. Executive Board resolutions of particular importance require the approval of the Supervisory Board.

Minutes are to be taken for each meeting of the Executive Board, which show, inter alia, the essential content of the negotiations and the resolutions.

At the meetings of the Executive Board, all company issues are discussed and resolved in an interdepartmental and concluding manner. It is therefore also possible to dispense with the formation of further Executive Board and group committees under proportionality principles.

The Executive Board reports regularly and comprehensively to the Supervisory Board on business development, the net assets, financial position and results of operations, planning and target achievement, as well as corporate strategy, including investment and personnel planning and existing risks.

Functioning of the Supervisory Board

The Supervisory Board advises and supervises the Executive Board in managing the company. In order to enable it to do so, the Executive Board provides the Supervisory Board with regular, prompt and comprehensive written and verbal reports about the company's performance and its position.

In addition, the Supervisory Board is in particular responsible for the appointment of the members of the Executive Board, the determination of the total remuneration of the individual members of the Executive Board, the review and approval of the annual financial statements of the company and the approval of the consolidated financial statements.

The Supervisory Board meets as needed, with at least two meetings to be held in each half of the calendar year. By order of the chairperson of the Supervisory Board or with the consent of all members of the Supervisory Board, meetings may also be held in the form of a telephone conference or by other electronic means of communication (in particular video conference).

As a rule, resolutions of the Supervisory Board are passed at meetings, but may also be passed outside meetings in writing, by fax, by email or by any other comparable means of communication, as well as in combination with the aforementioned forms. Unless otherwise stipulated by law, resolutions of the Supervisory Board are passed by a simple majority of the votes cast.

The activities of the Supervisory Board for the 2023 financial year are described in more detail in the report of the Supervisory Board.

In the 2023 financial year, until 24 May 2023, the Supervisory Board had an Audit Committee pursuant to section 107, paragraph 4 of the AktG chaired by Dr Ulrich Gauß (Chairman of the Audit Committee and financial expert in the area of auditing financial statements within the meaning of section 100, paragraph 5 of the AktG). The members of the Audit Committee were Ms Carola Theresia Paschola (a financial expert in the field of accounting within the meaning of section 100, paragraph 5 of the AktG) and Mr Georg Glatzel. In particular, the Audit Committee was responsible for auditing the accounts and monitoring the accounting process, the effectiveness of the internal control system, the risk management system, the internal auditing system, compliance and the audit of the annual financial statements, especially the selection and impartiality of the auditor, the quality of the audit of the financial statements, additional services provided by the auditor, the awarding of the audit contract to the auditor, the identification of focal points for audits and agreeing fees. Following the reduction in size of the Supervisory Board to three members with effect from 24 May 2023, the duties of the Audit Committee have been performed by the Supervisory Board in accordance with section 107, paragraph 4, sentence 2 of the AktG.

The Supervisory Board conducts regular self-evaluations and undergoes advanced training in line with the regulations that apply to insurance companies.

Profile of skills and expertise of the Supervisory Board

The following qualification matrix shows the desired profile of skills and expertise of the Supervisory Board, which the Supervisory Board believes is currently fulfilled in its overall composition.

The aim is to ensure that the Supervisory Board as a whole has all the knowledge and experience that are considered to be material in light of the specific situation of Deutsche Familienversicherung. The members of the Supervisory Board should be able to perform the duties of a Supervisory Board member in an insurance company on the basis of their professional qualifications and ability, as well as their knowledge, skills and experience. Particular attention should be paid to the personality, integrity, motivation and professionalism of the persons proposed for election. The members of the Supervisory Board should be fully familiar with the sector in which Deutsche Familienversicherung operates.

Supervisory Board qualification matrix

		Paschola	Pesarini	Glatzel
Affiliation	Member since	2022	2011	2017
	Elected to	2028	2028	2028
	Audit Committee [1]	+		+
Personal suitability	Regulatory requirements	+	+	+
	Independence	+	- [2]	- [3]
Professional suitability	Underwriting	+		+
	Investment	+	+	
	Accounting	+	+	+
	Audit of financial statements	+		
	Risk management	+	+	+
	Corporate governance and control	+	+	+
Special knowledge	Finance	+	+	+
	Financial expert [4]	+	+	
	Operational management	+	+	+
	Technology (incl. IT)	+	+	+
	Leadership experience	+	+	+
	Sustainability	+		
	Personnel management	+	+	+

Diversity	Year of birth	1965	1961	1961
	Gender	Female	Male	Male
	Nationality	German	German	German
	International experience	+	+	+
	Academic background	IT for Business	Businessman	Graduate in Economics, Real Estate Economist

[1] Until 24 May 2023
[2] Major shareholder
[3] Executor, heir Philipp Vogel
[4] Financial expert in the field of accounting and/or auditing within the meaning of section 100, paragraph 5 of the AktG

When making proposals for election to the Supervisory Board, the Supervisory Board complies with the legal requirements, the recommendations of the German Corporate Governance Code and the profile of skills and expertise that contains the targets relating to the composition of the Supervisory Board.

Compliance with section 76, paragraph 4 and section 111, paragraph 5 of the AktG

According to section 76, paragraph 4 and section 111, paragraph 5 of the AktG, the Supervisory and the Executive Boards of Deutsche Familienversicherung have to set targets for the proportion of women in leadership positions and timelines for their achievement.

On 21 November 2023, the Supervisory Board set targets of 33.33 % for women on the Supervisory Board and 25.00 % for women on the Executive Board (each corresponds to the status quo), to be achieved by 31 October 2028.

On 20 November 2023, the Executive Board set a target of 50 % of women in the top two management tiers below the Executive Board to be achieved by 31 October 2028. At the time of writing this report, the proportion of women on the two management tiers below the Executive Board was 31.58 % and 33.34 %.

Diversity policy for the Executive Board and Supervisory Board

Deutsche Familienversicherung has no separate diversity policy with regard to the composition of either the Supervisory or Executive Board. Equal opportunities and rejecting all forms of discrimination are firmly embedded in the company's corporate policy. That means that the only criteria taken into consideration when appointing leadership as well as all other positions at Deutsche Familienversicherung are the candidates' qualifications and competence. Other factors, such as gender, race, age, colour, religion, marital status, sexual orientation and origin, are of no relevance.

7 EXPLANATORY REPORT PURSUANT TO SECTIONS 289A AND 315A OF THE HGB

The share capital of the company was € 29,175,560 as at 31 December 2023 and was divided into 14,587,780 no-par bearer shares with with a proportionate theoretical interest in the share capital of € 2.00 each. As such, the share capital and the number of shares were the same as at the end of the previous year. Each share grants one vote at the Annual General Meeting.

Based on the notifications in the possession of the company, the following shareholders held direct or indirect investments in the capital of the company surpassing 10 % of the voting rights as at 31 December 2023: SK Beteiligungen GmbH (19.55 %), Luca Pesarini (24.98 %) and VPV Lebensversicherungs-AG (14.28 %).

The appointment and dismissal of members of the Executive Board are governed in sections 84 and 85 of the AktG, sections 24 and 47 no. 1 of the VAG and article 7 of the Articles of Association. According to article 7, paragraph 1 of the Articles of Association, the Executive Board consists of at least two people; otherwise, the Supervisory Board determines the number of Executive Board members. Pursuant to section 84, paragraph 2 of the AktG and article 7, paragraph 2 of the Articles of Association, the Supervisory Board can appoint a Chairman and Deputy Chairman of the Executive Board. The members of the Executive Board are appointed by the Supervisory Board for a maximum term of office of five years; members can be re-appointed (article 5, paragraph 4 of the Articles of Association). The appointment of Executive Board members requires a simple majority of votes cast by the Supervisory Board; abstentions do not count as cast votes in this regard (article 14, paragraph 11 of the Articles of Association).

Amendments to the Articles of Association are made pursuant to section 179 of the AktG. Pursuant to section 179, paragraph 1 of the AktG, amendments to the Articles of Association require a resolution by the Annual General Meeting; unless the Articles of Association stipulate otherwise, this resolution requires a majority of three quarters of the share capital represented at the vote pursuant to section 179, paragraph 2 of the AktG. Pursuant to section 179, paragraph 1, sentence 2 of the AktG, the Supervisory Board is authorised to amend the wording of the Articles of Association after executing the Authorised Capital 2021 (article 4, paragraph 2 of the Articles of Association) or utilising the Contingent Capital 2021 (article 4, paragraph 3 of the Articles of Association). Under article 21, paragraph 2 of the Articles of Association, resolutions of the AGM are passed by a simple majority of the votes cast, unless mandatory statutory provisions or the articles of association prescribe a higher majority. If the law stipulates that resolutions of the Annual General Meeting require a capital majority in addition to a majority of votes, a simple majority of the share capital represented at the vote shall – where legally admissible – suffice.

By resolution of the Annual General Meeting on 19 May 2021 and with the consent of the Supervisory Board, the Executive Board is authorised to increase the share capital by up to € 14,587,780 by 18 May 2026, once or multiple times, by issuing new bearer shares in exchange for cash contributions and/or contributions in kind; the subscription rights of shareholders can be excluded (Authorised Capital 2021, see article 4, paragraph 2 of the Articles of Association).

By resolution of the Annual General Meeting on 19 May 2021 and with the consent of the Supervisory Board, the Executive Board is authorised to, once or multiple times until 18 May 2026, issue registered or bearer convertible, warrant and/or participating bonds and/or profit participation rights (or combinations of these instruments; also referred to collectively as 'bonds'), with or without limited terms, up to a total nominal value of € 150,000,000. In accordance with article 4, paragraph 3 of the Articles of Association, the share capital of the company can be increased on a contingent basis by up to € 14,587,780 through the issuance of up to 7,293,890 new bearer shares (Contingent Capital 2021) in order to grant shares to the holders or creditors of such bonds. The particularities (including the possibility of excluding the subscription rights of shareholders) are set out in agenda item 7 in the invitation to the Annual General Meeting of 2021.

By resolution of the Annual General Meeting on 19 May 2021 and pursuant to section 71, paragraph 1, no. 8 of the AktG, the Executive Board is authorised to, once or multiple times until 18 May 2026, purchase treasury shares of up to 10% of the share capital at the time of the resolution or, if this value is lower, the share capital at the time the right was exercised, and to utilise it for admissible purposes with the consent of the Supervisory Board. The subscription rights of shareholders can be excluded depending on the purpose of the purchased treasury shares. The particularities of the repurchase of treasury shares and their utilisation are set out in agenda item 8 in the invitation to the Annual General Meeting of 2021. As of 31 December 2023, the company did not hold any of its own shares.

As a rule, the company's reinsurance contracts contain a clause granting both parties a right of extraordinary termination if the other party merges or its ownership and control relationships change substantially. Such or similar clauses are considered standard in the industry.

8 ANNEX TO THE MANAGEMENT REPORT

List of insurance classes and insurance segments operated during the financial year.

Non-substitutive health insurance:	Clause pursuant to BerVersV
— Independent individual medical expense insurance (outpatient)	02.2
— Independent individual medical expense insurance (inpatient)	02.3
— Individual sick day benefit insurance	02.4
— Other independent individual partial insurance	02.6
— Travel health insurance	02.6.7
— Voluntary daily long-term care insurance, non-substitutive by type of life insurance	02.8.3
— Voluntary daily long-term care insurance	02.8.6

Property/casualty insurance:	Clause pursuant to BerVersV
— Accident insurance	03
— Liability insurance	04
— Legal expenses insurance	07
— Glass breakage insurance	11
— Comprehensive household insurance	13
— Comprehensive building insurance	14
— Electronics insurance	17
— Other non-life insurance	28
— Other P/C insurance	29
— Pet health insurance	29 March 2005

Non-substitutive health insurance:	Clause pursuant to BerVersV
— Voluntary daily long-term care insurance, non-substitutive by type of life insurance	02.8.3

CONSOLI-
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BALANCE SHEET

ASSETS

In € thousand	31.12.2023	31.12.2022
Cash and cash equivalents	8,230	11,494
Investments	216,508	181,186
Assets from insurance contracts issued	38,770	41,433
Assets from reinsurance contracts held	14,466	11,262
Other assets	6,316	4,659
Intangible assets	6,000	5,952
Rights of use for property pursuant to IFRS 16	9,191	0
Own property, plant and equipment	1,050	375
Deferred tax assets	0	53
Total assets	**303,531**	**256,414**

EQUITY AND LIABILITIES

In € thousand	31.12.2023	31.12.2022
Income tax liabilities	768	145
Other liabilities	4,512	5,749
Liabilities from insurance contracts issued	156,353	124,658
Liabilities from reinsurance contracts held	21,695	25,478
Provisions	2,697	1,648
Lease liabilities	9,227	0
Deferred tax liabilities	1,134	0
Equity	104,144	98,648
Non-controlling interests	0	88
Total equity and liabilities	**303,531**	**256,414**

The previous year's figures have been changed compared to the 2022 annual report due to the implementation of IFRS 9 and IFRS 17. In this report, all previous years (balance sheet, income statement, notes tables, etc.) are comparable to the 2023 financial year. This change means that comparability with the previous year's annual report is not possible. Further information on this is presented in section 2.1.1 and was also presented prospectively in the 2022 annual report.

STATEMENT OF COMPREHENSIVE INCOME

In € thousand	2023	2022
I. Income statement		
1. Insurance service result		
a) Underwriting revenues	119,467	110,716
b) Insurance service expenses	-106,929	-96,962
c) Net result from reinsurance contracts	-3,768	-5,705
	8,771	**8,049**
2. Income from capital investments		
a) Net interest income / dividends	4,713	5,270
b) Net risk provision	-590	284
c) Realised/unrealised gains/losses	-729	-3,904
d) Expenses from financial assets and net income from foreign exchanges	-1,264	-594
	2,129	**1,055**
3. Net insurance finance income		
a) Insurance service result from insurance contracts	-848	-2,095
b) Insurance service result from reinsurance contracts	-1,362	1,212
	-2,209	-882
4. Income from financing and other financial income	**-75**	**-1**
5. Net financial result	**-155**	**172**
6. Other comprehensive income	-3,053	-1,956
7. Income before income taxes	**5,563**	**6,265**
8. Income taxes	**-1,405**	**-2,415**
9. Net Income	**4,157**	**3,851**
Of which attributable to shareholders in the parent company	4,157	3,863
Of which attributable to non-controlling interests	0	-12
II. Other comprehensive income		
1. Fixed-interest securities measured at fair value through other comprehensive income	**10,927**	**-22,388**
2. Realisation result from fixed-interest securities measured at fair value through other comprehensive income	**-602**	**-4,366**
3. Changes in insurance finance reserve recognised directly in equity	**-8,359**	**29,138**
4. Deferred taxes on changes in the revaluation reserve	**-628**	**-1,608**
5. Other comprehensive income	**1,339**	**776**
III. Total comprehensive income	**5,496**	**4,627**
Of which attributable to shareholders in the parent company	5,496	4,627
Of which attributable to non-controlling interests	0	-12
Earnings per share for the period	**0.28**	**0.26**
Total earnings per share	0.38	0.32
Number of shares	14,587,780	14,587,780

DEVELOPMENT OF CONSOLIDATED EQUITY

In € thousand	Subscribed capital	Capital reserves	Retained earnings	Unrealised income from capital investments	Unrealised income from insurance contracts	Consolidated equity before non-controlling interests	Non-controlling interests	Consolidated equity
As at 31 December 2021	**29,176**	**72,754**	**-6,346**	**-1,133**	**-441**	**94,009**	**0**	**94,009**
Income for the period			3,863			3,863	-12	3,851
Other income for the period				-19,061	19,838	776		776
Capital contributions by non-controlling interests						0	100	100
As at 31 December 2022	29,176	72,754	-2,483	-20,194	19,397	98,648	88	98,736
As at 1 January 2023	**29,176**	**72,754**	**-2,483**	**-20,194**	**19,397**	**98,648**	**88**	**98,736**
Income for the period			4,157			4,157		4,157
Other income for the period				7,029	-5,690	1,339		1,339
Capital contributions by non-controlling interests						0	-88	-88
As at 31 December 2023	**29,176**	**72,754**	**1,674**	**-13,165**	**13,706**	**104,144**	**0**	**104,144**

The Annual Report for 2022 was published in March 2023 and contained a preliminary indication of the change in equity due to the application of IFRS 9/17 for the first time. This was based on estimates made up to mid-February 2023, in order to illustrate the potential effects of IFRS 9/17.

After the publication of the Annual Report for 2022, Deutsche Familienversicherung continued to prepare the opening balance sheet under IFRS 9/17 and made a few non-material adjustments. For this reason, the current changes in equity under IFRS 9/17 deviate from the provisional indication in the Annual Report for 2022.

STATEMENT OF CASH FLOW

In € thousand	31.12.2023	31.12.2022
Cash and cash equivalents as at 01.01	**11,494**	**4,332**
of which cash reserves and cash equivalents	11,494	4,332
of which short-term investments	0	0
I. Cash flow from operating activities	**23,397**	**34,469**
1.1 Income for the period before taxes	5,563	6,265
1.2 Depreciation / reversals of write-downs of fixed assets	1,612	1,837
1.3 Income tax payments	-728	-793
1.4 Net changes in insurance contracts issued and reinsurance contracts held (excl. OCI changes)	19,012	27,610
1.5 Other non-cash changes	-2,061	-450
II. Cash flow from investing activities	**-35,799**	**-27,307**
2.1 Cash paid for investments in intangible assets and rights of use	-10,805	-110
2.3 Cash paid for investments in property, plant and equipment	-795	-281
2.4 Net outgoing payments for capital investments	-24,199	-26,916
III. Cash flow from financing activities	**9,139**	**0**
3.1 Equity increases and repurchase of minority shares	-88	0
3.2 Borrowing/repayment	0	0
3.3 Net changes from lease liabilities	9,227	0
3.4 Dividends	0	0
Total changes in cash flow	**-3,264**	**7,162**
Cash and cash equivalents as at 31.12	**8,230**	**11,494**
of which cash reserves and cash equivalents	4,680	11,494
of which short-term investments	3,550	0

SEGMENT REPORTING

SEGMENT INCOME STATEMENT	Supplementary health		Property/casualty		Pet health insurance		Miscellaneous & consolidation		Group	
In € thousand	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
1. Insurance revenue	**101,397**	**94,898**	**6,085**	**6,067**	**11,235**	**8,998**	**750**	**752**	**119,467**	**110,716**
2. Insurance expenses	-85,628	-79,926	-5,466	-3,114	-15,800	-13,911	-34	-11	-106,929	-96,962
2.1 Insurance benefits	-58,555	-55,137	-1,888	-984	-7,294	-4,947	420	-11	-67,317	-61,079
2.2 Acquisition costs	-12,728	-12,317	0	-1,210	-5,104	-5,323	-1,432	0	-19,263	-18,850
2.3 Other expenses	-14,346	-12,473	-3,578	-919	-3,402	-3,641	978	0	-20,349	-17,033
3. Net underwriting expenses from reinsurance contracts held	-3,323	-3,858	128	-387	-572	-1,460	0	0	-3,768	-5,705
4. Insurance service result	12,446	11,113	747	2,566	-5,138	-6,372	716	742	8,771	8,049
4.1 Interest on investments (not FVTPL)	2,632	1,307	112	89	207	132	708	449	3,659	1,977
4.2 Net income from investments (FVTPL)	-558	-204	135	-141	249	-210	777	-706	602	-1,262
4.3 Net risk provisioning expenses	-601	84	1	27	2	40	7	133	-590	284
4.4. Sales profits/losses	-206	467	-8	24	-15	36	-48	122	-278	649
4.5. Other capital investment expenses & net income from foreign exchanges	-1,004	-691	-26	4	-48	6	-185	87	-1,264	-594
5. Income from capital investments	263	963	214	3	395	5	1,258	84	2,129	1,055
5.1 Insurance finance expenses – net	-708	-2,194	-100	94	-40	6	0	0	-848	-2,095
5.2 Financial income from reinsurance – net	-1,362	1,212	0	0	0	0	0	0	-1,362	1,212
6. Insurance finance income	-2,069	-982	-100	94	-40	6	0	0	-2,209	-882
7. Financing expenses & other financial asset expenses	0	0	0	0	0	0	-75	-1	-75	-1
8. Financial result	-1,806	-20	-98	122	-40	-14	1,789	84	-155	172
9. Other comprehensive income	0	0	0	0	0	0	-3,053	-1,956	-3,053	-1,956
10. Segment result before taxes	10,640	11,094	648	2,688	-5,178	-6,386	-548	-1,130	5,563	6,265

SEGMENT BALANCE SHEET – ASSETS	Supplementary health		Property/casualty		Pet health insurance		Miscellaneous & consolidation		Group	
In € thousand	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
A. Investments	151,229	119,281	4,123	4,276	7,612	6,343	53,544	51,286	216,508	181,186
B. Underwriting assets	35,307	35,243	0	0	3,342	6,024	122	166	38,770	41,433
C. Underwriting assets in reinsurance	13,394	10,473	1,072	788	0	0	0	0	14,466	11,262
D. Other assets	26,130	19,314	1,568	1,235	2,895	1,831	193	153	30,787	22,533
Total segment assets	**226,060**	**184,311**	**6,763**	**6,300**	**13,849**	**14,98**	**53,858**	**51,605**	**300,531**	**256,414**

SEGMENT BALANCE SHEET – EQUITY AND LIABILITIES	Supplementary health		Property/casualty		Pet health insurance		Miscellaneous & consolidation		Group	
In € thousand	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
A. Underwriting liabilities	151,217	120,295	5,135	4,363	0	0	0	0	156,353	124,658
B. Underwriting liabilities in reinsurance	18,619	21,607	0	0	3,076	3.871	0	0	21,695	25,478
C. Other liabilities	15.565	6.464	934	413	1.725	613	115	51	18.339	7.542
Total segment liabilities / Group liabilities and provisions	**185.401**	**148.366**	**6.070**	**4.776**	**4.801**	**4.484**	**115**	**51**	**196.386**	**157.678**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting principles

1 BASES OF THE REPORT

The consolidated financial statements of the parent company, DFV Deutsche Familienversicherung AG, Reuterweg 47, 60323 Frankfurt am Main, Germany, HRB 78012, were prepared in accordance with the International Financial Reporting Standards (IFRS) pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002 and section 315e, paragraph 3 of the German Commercial Code (HGB). The consolidated financial statements comply with all IFRS and applicable International Accounting Standards (IAS) valid in the European Union (EU) in the 2022 financial year and the corresponding interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretation Committee (SIC).

Deutsche Familienversicherung is applying IFRS 9 and IFRS 17 for the first time in these consolidated financial statements. The associated changes to material accounting standards are explained in **section 2**. The initial adoption date is 1 January 2023 and IAS 8.19 (Adjustment of prior-year figures for comparability when introducing new IFRS standards) was recognised. Deutsche Familienversicherung has also changed the structure of its balance sheet and statement of comprehensive income (income statement) in accordance with IAS 1.

The reporting currency is the euro. Unless stated otherwise, all premiums are rounded to euros (€).

The consolidated financial statements were prepared under the assumption of a going concern.

The preparation of the consolidated financial statements requires the use of discretion, estimates and assumptions in the measurement of various items in the balance sheet and income statement. Below we provide an overview of segments with more considerable scope for judgement or greater complexity, as well as line items that are likely to be adjusted if estimates and assumptions prove inaccurate. This concerns, in particular, the following segments: Determination of the underwriting reserves, determination of the fair values of financial instruments, unless stock exchange prices or acquisition costs are taken as a basis for measurement, determination of recoverable amounts for impairment tests of assets, measurement of deferred tax assets on losses carried forward. The use of discretion, estimates and assumptions are presented in the accounting and valuation methods. All estimates and discretionary decisions are checked continuously and are based on past experience and other factors, including expectations regarding future events which might affect the company financially and are considered appropriate under the circumstances. However, estimates, discretionary judgements and assumptions always have inherent uncertainties which can affect the result.

2 ACCOUNTING PRINCIPLES AND ACCOUNTING STANDARDS

2.1 Measurement of insurance contracts (IFRS 17)

2.1.1 Transition effects from the first-time application of IFRS 17 and IFRS 9

As part of the transition project to IFRS 9 and IFRS 17, Deutsche Familienversicherung converted its opening balance sheet from IAS 39 and IFRS 4 to IFRS 9 and IFRS 17. With regard to the reconciliation and recognition of IFRS 17 insurance items, certain insurance contracts and accounting methods were still under discussion over the course of 2023, both in the literature and among auditing firms and in collaboration with our auditor.

As a result of this situation, we were forced to make adjustments to the opening balance (or changes in equity) between the publication of the Annual Report for 2022 in March 2023 and the current Annual Report 2023. In particular, these adjustments related to the measurement of reinsurance contracts under the General Measurement Model (GMM) using the OCI option.

Reconciliation of the 2022 consolidated balance sheet from IAS 39 and IFRS 4 to IFRS 9 and IFRS 17:

ASSETS	IFRS 9 / 17	IAS 39 / IFRS 4	Reconciliation IFRS 9	Reconciliation IFRS 17
In € thousand	31.12.2022	31.12.2022	31.12.2022	31.12.2022
Cash and cash equivalents	11,494	11,494		
Investments	181,186	180,386	800	
Assets from insurance contracts issued	41,433	0		41,433
Assets from reinsurance contracts held	11,262	567		10,695
Other assets	4,659	5,462	-800	-3
Intangible assets	5,952	5,952		0
Rights of use for property pursuant to IFRS 16	0	0		
Own property, plant and equipment	375	377		-2
Deferred tax assets	53	16,095		-16,042
Total assets	**256,414**	**220,334**	**0**	**36,080**

EQUITY AND LIABILITIES	IFRS 9 / 17	IAS 39 / IFRS 4	Reconciliation IFRS 9	Reconciliation IFRS 17
In € thousand	31.12.2022	31.12.2022	31.12.2022	31.12.2022
Income tax liabilities	145	145		
Other liabilities	5,749	4,446		1,303
Liabilities from insurance contracts issued	124,658	146,870		-22,211
Liabilities from reinsurance contracts held	25,478	0		25,478
Provisions	1,648	1,648		
Lease liabilities	0	0		
Deferred tax liabilities	0	0		
Equity	98,648	67,137	0	31,511
Non-controlling interests	88	88		
Total equity and liabilities	**256,414**	**220,334**	**0**	**36,080**

2.1.2 Reconciliation of IAS 39 to IFRS 9

With the transition to IFRS 9, Deutsche Familienversicherung transferred all securities to the ‘hold to collect and sell’ business model and continues to measure all securities at fair value. There have therefore been no changes to the investments item. Equity also did not change as a result of the transition; only the equity, bond and real estate funds are measured at FVTPL under IFRS 9. As a result, changes in earnings resulting from market value measurements are also reported as retained earnings in the opening balance sheet and no longer in the revaluation reserve.

2.1.3 Reconciliation of IFRS 4 to IFRS 17

With the transition to IFRS 17, Deutsche Familienversicherung subjected all insurance contracts to a revaluation. This led to significant changes in insurance items, other assets and other liabilities. The significant changes result from the application of the variable fee approach (VFA) valuation model to insurance contracts in the health insurance business (by type of life insurance), the application of the GMM to reinsurance contracts and the application of the premium allocation approach (PAA) valuation model to insurance and reinsurance contracts issued and to the capitalisation of acquisition costs.

Further details on the methods and processes used by Deutsche Familienversicherung are described in more detail below:

2.2 Insurance and investment contracts

Insurance contracts and investment contracts with a discretionary participation feature are accounted for in accordance with the accounting provisions of IFRS 17. To this end, IFRS 17 contains three valuation models that reflect different levels of participation by policyholders in the investment result or in the company's performance: the general measurement model (also known as the modular approach), the variable fee approach and the premium allocation approach.

Contracts with direct participation features are contracts under which, upon conclusion of the contract,

- the contractual provisions stipulate that the policyholder holds a stake in a clearly defined pool of underlying reference values;
- the DFV Group expects to pay the policyholder an amount that corresponds to a significant portion of the income from the fair value of the underlying reference values; and
- the DFV Group expects a significant portion of any changes in the amounts payable to the policyholder to fluctuate depending on changes in the fair value of the underlying reference values.

Insurance contracts with direct participation features are accounted for in accordance with the VFA. Insurance contracts without direct participation features are measured under the GMM or under the PAA, provided the eligibility criteria for the PAA are met.

The DFV Group generally applies the same accounting principles and rules for issued reinsurance contracts as for issued insurance contracts.

2.3 Level of aggregation

Groups of contracts are formed for the purpose of measuring insurance contracts. The first step is to define portfolios that include contracts with similar risks and whose contracts are managed jointly. Within the portfolios, the contracts must then also be broken down according to profitability. The assignment takes place when the data are first entered. In addition, the groups must be determined at least on the basis of annual cohorts (i.e. contracts may not be assigned to the same group if the contracts are concluded more than one year apart). According to the EU endorsement, users in the EU have the option of using annual cohorts. Under this option, it is possible to dispense with the formation of annual cohorts for contracts with cross-generational participation features. Deutsche Familienversicherung makes use of this exception and does not form annual cohorts for health and long-term care insurance contracts by type of life insurance.

2.4 Actuarial provision according to the GMM/VFA

The liability for remaining coverage (LRC) is calculated as the sum of the fulfilment cash flows and the contractual service margin (CSM). The fulfilment cash flows are made up of three components, which represent the rights and obligations vis-à-vis the policyholders. The individual components of the fulfilment cash flows consist of the estimation of expected future cash flows, their discounting (to take into account financial risks and the present value of the money) and the risk adjustment for non-financial risks. The CSM represents the unrealised profit that a company expects from the future provision of services over the coverage period. The individual components of the LRC are assessed separately.

2.5 Estimation of future cash flows

The estimate of future cash flows includes all cash flows within the boundary of an insurance contract that relate to the performance of the contract. In particular, this estimate also includes cash flows, the amount or timing of which is at the discretion of Deutsche Familienversicherung. The estimate includes all reasonable and reliable information that can be derived without undue expense or effort. Cash flows include premiums from policyholders, payments to (or on behalf of) policyholders, acquisition costs and other costs directly related to fulfilling the contract. The acquisition costs consist of the costs of selling, underwriting and setting up a group of contracts that can be directly attributed to the portfolio of contracts to which the group belongs. Other costs incurred in fulfilling the contract include claims handling, maintenance and administrative costs, investment costs and recurring commission incurred in connection with premiums paid in instalments and payable within the limits of the contract.

2.6 Discounting

Future cash flows must be discounted in accordance with IFRS 17. In doing so, the standard sets out principle-based specifications, including for taking into account the illiquidity characteristics of insurance contracts and market consistency. In order to take into account the illiquidity of insurance liabilities, IFRS 17 requires the yield curves to be based on a risk-free base curve and portfolio-specific adjustments. Observable market data should be used to derive this information. Deutsche Familienversicherung uses a bottom-up approach to calculating the yield curves. The risk-free base curve is first derived from swap rates and then adjusted for the remaining credit risk. To take into account the illiquidity of the cash flows from insurance contracts, an illiquidity premium is added to the risk-free yield curve, which reflects the duration characteristics of the underwriting liabilities.

The following table shows the interest rates (one year Forward Rate) used to discount cash flows:

Insurance business: Discount rates in %

	31.12.2023	31.12.2022
1 year	4,22	4,01
5 years	3,08	3,89
10 years	3,49	3,99
20 years	3,19	2,82
30 years	3,33	3,23

2.7 Risk adjustment for non-financial risks

The risk adjustment corresponds to the compensation that a company requests for the uncertainty arising from non-financial risks relating to the amount and timing of the cash flows from insurance contracts. Underwriting risks, cancellation risks and cost risks are all non-financial risks. IFRS 17 merely provides principles for calculating risk adjustment; in particular, it does not specify any fixed methodological specifications. The risk adjustment is calculated separately for direct insurance and reinsurance and separately for the LRC and LIC.

As with Solvency II, Deutsche Familienversicherung uses a cost of capital approach to calculate the risk adjustment. The cost of capital rate used is derived from market data plus an expert estimate and is 8 %. The main differences to Solvency II lie in the discounting and the exclusion of the operational risk.

The risk adjustment of health insurance by type of life insurance is controlled on a one-year confidence level of 75 % to 85 %. The confidence levels are calculated on the basis of the distribution assumptions used as a basis under Solvency II.

2.8 Contractual service margin

On initial recognition, the CSM is calculated in such a way that no income or expense arises from the fulfilment cash flows, the contract cash flows of the groups and the derecognition of acquisition costs and other assets recognised as assets. In the event of a net outflow (i.e. the CSM is negative), the corresponding group of contracts is onerous and the net outflow is immediately recognised in profit or loss. In subsequent measurements, the CSM is adjusted for changes in future cash flows. For the contracts valued using the GMM, interest is also compounded for the CSM in each period. The interest rates set at the time of the initial measurement of the group in question are used. For the services provided in the respective period, a portion of the CSM is released through profit or loss in each period on the basis of 'coverage units'. IFRS 17 provides fundamental principles for determining coverage units. Deutsche Familienversicherung uses a weighting between the premiums and the ageing provision selected according to the characteristics of the contract as coverage units.

The VFA is a modified form of the GMM for contracts with direct profit participation. The decision as to whether an insurance contract meets the criteria for the VFA is made at the start of the contract and is not changed thereafter, except in the event of a material contract amendment. For contracts measured using the VFA, the CSM is adjusted according to the entity's share of changes in the fair value of the underlying reference values. There is no explicit compounding of interest, as the CSM is adjusted to reflect changes in financial risks (i.e. a new measurement is carried out).

2.9 Actuarial provisions under the premium allocation approach

DFV uses the PAA to measure insurance and reinsurance contracts with a maximum coverage period of one year. In addition to such contracts with a term of one year or less, the PAA is used for groups of insurance contracts where the measurement of the actuarial provision does not differ materially from the results that would result from applying the GMM or the VFA. The DFV Group reviews the applicability of the PAA on the basis of qualitative and quantitative factors. At DFV, the PAA applies to P/C insurance business, to supplementary health insurance policies conducted by type of non-life insurance and to reinsurance.

If facts and circumstances (e.g. an expected combined ratio of more than 100%) indicate that a group of insurance contracts measured under the PAA is loss-making at initial recognition or will subsequently be loss-making, the value of the premium reserve is increased to the amount of the fulfilment cash flows determined under the general measurement model. The expected loss is shown in a loss component and recognised in underwriting expenses. The loss component is remeasured at each reporting date as the difference between the amounts of the fulfilment cash flows for future services determined under the general measurement model and the carrying amount of the actuarial provision excluding the loss component.

2.10 Acquisition costs

In the DFV Group, directly attributable expenses from the conclusion of insurance contracts are recognised differently:

a) for material insurance contracts measured under the PAA, the acquisition costs are not recognised as an expense when incurred, but are accounted for as an asset upon initial recognition in accordance with IFRS 17.28B and amortised over several years;

b) for insurance contracts measured using the VFA, the acquisition costs are recognised in accordance with IFRS 17.38 (c) and IFRS 17.B125; the acquisition costs are implicitly deferred over the coverage period of the contracts; and

c) for non-material insurance contracts currently measured under the PAA, the acquisition costs are expensed as incurred.

No acquisition costs were recognised for the reinsurance contracts (PAA and GMM) as at 31 December 2023.

2.11 Receivables and liabilities

IFRS 17 is conceptually based on a prospective cash perspective, i.e. all expected future cash flows from the insurance contract are taken into account in the measurement and recognised as an asset or a liability. At Deutsche Familienversicherung, these also include all receivables and liabilities from insurance and reinsurance contracts. Specifically, these are:

a) Receivables, such as

    a. Interest receivables

    b. Receivables from direct insurance business and

    c. Receivables from reinsurance contracts issued and held

These are recognised at amortised cost.

b) Liabilities, such as

    a. Liabilities from direct insurance business

    b. Accounts payable from reinsurance contracts issued and held

These are recognised at their nominal values.

2.12 Provision for outstanding claims (LIC)

The LIC is recognised for a group of insurance contracts at the amount of the fulfilment cash flows that relate to losses that have already occurred. For P/C insurance, the LIC consists of the present value of future cash flows from incurred losses plus a risk adjustment for non-financial risks. Discounting is carried out at the same interest rates as for the LRC. In the field of health and supplementary long-term care insurance, the value of the provisions for outstanding claims has been carried over unchanged from the financial statements prepared in accordance with the German Commercial Code (HGB).

2.13 Provision process

In the following section, 'provision' refers to the sum of the present value of future cash flows, the risk adjustment for non-financial risks and the CSM.

Provisions from health insurance business depend on biometric assumptions (e.g. mortality or claim per capita statistics), the behaviour of policyholders (e.g. cancellations), economic assumptions about future interest rates and cost assumptions. The assumptions used in the measurement are derived by the actuarial and accounting departments and are validated.

DFV introduced a stochastic cash flow model as part of the introduction of IFRS 17. The cash flow model carries assets and liabilities forward in interactive risk-neutral projections. Due to the complexity of such a calculation process, the model is constantly being developed. Experienced and qualified DFV employees are assigned to calculate the provisions in this area.

Actuarial methods are used to form provisions for P/C insurance. The selection of methods for the best possible estimation of future cash flows is carried out by experts and is heavily based on the assumptions and processes used under Solvency II.

2.14 Financial instruments (IFRS 9)

In the current 2023 financial year, Deutsche Familienversicherung applied IFRS 9 'Financial Instruments' for the first time, as well as the resulting amendments to other standards. Deutsche Familienversicherung has set 1 January 2023 as the date of initial application. This is the date on which the Group reassessed its existing financial assets and financial liabilities. This date was selected because IFRS 17, and thus also IFRS 9 for insurance companies, must be applied for the entire 2023 reporting period (or comparative figures for 2022).

For the reconciliation of the 2022 consolidated balance sheet from IAS 39 and IFRS 4 to IFRS 9 and IFRS 17, please see section 2.1.1 'Measurement of insurance contracts (IFRS 17)'.

2.14.1 Classification and measurement of financial assets

For the fundamental business model of DFV, see the Annual Report 2022

Based on the respective business model and characteristics of the contractual cash flows, the DFV Group classifies a financial asset into one of three measurement categories upon its recognition for the first time:

- Amortised cost
- At fair value through other comprehensive income as other income for the period, or
- At fair value through profit or loss

2.14.1.1 Measured at amortised cost

— Cash in hand
This consists of overnight bank balances, balances with central banks and the cash-in-hand of the HI DFV Master Funds.

— Credit receivables

This relates to an € 800,000 loan granted to members of management bodies, which has existed since the 2022 financial year and has been classified as an asset measured at amortised cost (ACO) due to the business model.

As the loan is over-secured with a mortgage/land charge in the amount of € 1.4 million, this does not represent a default risk for DFV; for this reason, an expected credit loss was not calculated or posted.

2.14.1.2 Measured at fair value through other comprehensive income

This includes fixed-interest and non-fixed-interest debt instruments that were classified as financial assets measured at FVOCI due to the business model. DFV generally has the intention to hold, but takes advantage of market opportunities.

The gross carrying amount reflects the maximum default risk.

2.14.2 Classification and measurement of financial liabilities

IFRS 9 also contains rules for the classification and measurement of financial liabilities.

Deutsche Familienversicherung does not currently recognise any financial liabilities, which is why a detailed description of the classification and measurement of financial liabilities is not provided here.

2.14.3 Measurement at fair value (IFRS 13)

IFRS 13 defines the fair value as the sales price (i.e. the price that would be received in an ordinary transaction between market participants on the measurement date upon sale of an asset or upon transfer of a liability). All assets and liabilities measured at fair value are assigned to a fair value hierarchy (level) pursuant to IFRS 13. Moreover, level information also has to be disclosed for fair values, which are exclusively presented in the notes. The fair value hierarchy provides for three levels of valuation. The allocation informs which of the reported fair values have occurred through transactions on the market and to what extent the determination was based on observable market-derived data or using valuation models due to a lack of market transactions. On each key date, it is reviewed whether the allocation to the levels of the fair value hierarchy is still appropriate. If changes that require a different allocation have occurred due, for example, to inactive markets, corresponding reclassifications are made between the levels.

Level 1: Prices quoted in active markets on the valuation date for the assets and liabilities to be measured
Level 2: Use of quoted prices other than those defined in Level 1 that are either directly or indirectly observable for the asset or liability
Level 3: Unobservable input factors, if possible the application of a valuation model using unobservable, estimated input factors

Valuation techniques and input factors to determine fair values for assets and liabilities at Levels 2 and 3

The measurement of financial instruments and investments in these levels is mainly based on capital-value-oriented or multiplier methods. At Deutsche Familienversicherung, these are – especially at Level 3 – traditional valuation methods such as the gross rental method, the discounted cash flow method (utilising EBIT, cash flows, risk-free interest rates, beta factors or spreads) and even the net asset value method for subordinate financial investments. Current accounts, overnight deposits and cash in hand are recognised at their acquisition costs. Foreign currencies are translated through profit or loss using the closing rate.

2.14.4 Impairments under IFRS 9

Under IFRS 9, impairments due to credit risks in credit transactions and securities not measured at fair value through profit or loss are recognised using a three-stage model based on expected credit losses.

The scope of application of this impairment model for Deutsche Familienversicherung includes the following financial instruments:

- Financial assets in the form of loans and receivables measured at amortised cost

- Financial assets in the form of bonds measured at fair value through other comprehensive income (FVOCI)

Impairments are determined using a three-stage model:

Level 1 takes into account all financial instruments for which the default risk (default risk) has not increased significantly since their initial recognition in the balance sheet. For the financial instruments, a weighting is calculated on the basis of the expected credit losses over the next 12 months.

Level 2 includes financial instruments with a significantly increased risk that are not classified as low-risk business. The impairment is based on the expected credit losses over the entire life of the instrument.

Financial instruments that are classified as impaired on the reporting date are allocated to level 3. As a criterion for this, DFV uses an overdraft of payments for interest and repayments of more than 30 days or an indication of a price decline of 30% for listed bonds, whereby the change in creditworthiness is analysed in a second step.

In level 3, the Lifetime Expected Credit Loss (LECL) is used to measure the value of the expired financial instruments. The LECL is calculated on the basis of statistical risk parameters for transactions using expert estimates of future cash flows and probabilities of occurrence.

Calculating the expected credit loss (ECL)
Deutsche Familienversicherung generally calculates the ECL as the probability-weighted, undistorted and discounted expected value of future credit losses over the entire remaining term of the financial instrument in question.

The 12-month ECL for the recognition of impairments in level 1 is defined as the portion of the LECL that results from default events that are expected within 12 months of the reporting date.

The ECL is determined on a transaction-by-transaction basis for levels 1 and 2 and for non-significant financial instruments in level 3. The main parameters are:

- the customer-specific probability of default (PD);

- the loss given default (LGD);

The risk parameters from the internal insurance models are adjusted to the requirements of IFRS 9 and the projection period is extended to the entire life of the financial instruments. The risk parameters are analysed together with historical and current economic data, with the macroeconomic forecasts regularly examined for their impact on the level of credit losses and influencing the release of credit losses. This is based on a baseline scenario, which is based on the prevailing consensus (forecasts by various banks on key macroeconomic variables such as GDP growth and the unemployment rate) and is supplemented by further model-relevant macroeconomic parameters. The baseline scenario specifies bandwidths.

External information such as indicators, forecasts, global financial institutions, rating agencies and audit firms are also used for the calculation.

2.15 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

2.15.1 Intangible assets under IAS 38

Intangible assets are capitalised if they are identifiable and Deutsche Familienversicherung has control over them. Additionally, there must be a future economic benefit and it must be possible to determine the acquisition costs reliably. They contain purchased software. Purchased software is recognised at amortised acquisition costs. For purchased software, the acquisition costs include the purchase price, directly attributable incidental acquisition costs and directly attributable costs to prepare the software for its intended use. Subsequently, intangible assets (software) are carried at acquisition cost or manufacturing costs less any

accumulated amortisation and impairment losses. The intangible assets capitalised by Deutsche Familienversicherung are essentially software and software licences for insurance operations.
The additions and disposals of the financial year to intangible assets with limited useful lives are generally amortised pro rata temporis on a straight-line basis. The useful life is normally between three and 15 years. Depreciation and amortisation are allocated in accordance with the Regulation on the Accounting of Insurance Undertakings (RechVersV) and are essentially allocated to expenses for insurance operations.

2.15.2 Property, plant and equipment under IAS 16

Property, plant and equipment is capitalised if Deutsche Familienversicherung has control over it and there is a future economic benefit to it. Directly attributable incidental acquisition costs are capitalised together at their acquisition costs and are depreciated over the usual useful life. At Deutsche Familienversicherung, property, plant and equipment consists of the usual operating and office equipment of an insurance company.
The additions and disposals of the financial year to property, plant and equipment with limited useful lives are generally depreciated pro rata temporis on a straight-line basis. The useful life is normally between three and 5 years.
Depreciation and amortisation are allocated in accordance with the Regulation on the Accounting of Insurance Undertakings (RechVersV) and are essentially allocated to expenses for insurance operations.

2.15.3 Impairments under IAS 36

Pursuant to IAS 36 (Impairment of Assets), all intangible and tangible assets used over the long term are assessed at least on each balance sheet date to determine whether there is any indication of material impairment. If this is the case, the recoverable amount of the corresponding asset is determined. Assets that do not generate separable cash inflows are allocated to so-called cash-generating units. The subject of an impairment test is the cash-generating unit. The recoverable amount is defined as the higher of the net realisable value (sales price less selling costs) and the value in use (present value of future cash flows from continued use). Irrespective of whether any indications of impairment exist, intangible assets with an indefinite useful life, such as, goodwill, brand names and intangible assets not yet ready for use, are subject to an annual impairment test.

Market prices quoted on active markets or prices from transactions with the same or comparable assets are used as the basis to determine recoverable amounts. Alternatively, fair values are determined using generally accepted mathematical valuation models. Details for this and the internally defined criteria for an impairment are explained in the notes to the general accounting and valuation methods under the corresponding items.

If the recoverable amount of an asset or a cash-generating unit is less than its carrying amount, an impairment loss has to be recognised in accordance with IAS 36. An impairment loss is first allocated to the goodwill of a cash-generating unit and then proportionately to the other assets on the basis of their carrying amounts, and is immediately recognised in the result for the period.

Impairments of goodwill are shown in a separate item in the income statement. Impairments of other intangible assets and other assets are recognised as expenses for insurance operations, claims expenses, investment expenses and other expenses by function. Impairment losses are recognised directly by reducing the carrying amounts of the assets.

If the requirements of IAS 36 are met, reversals of impairment losses are performed for all assets – with the exception of goodwill – up to the lower of their recoverable amount and amortised acquisition costs.

2.16 Right of use pursuant to IFRS 16

IFRS 16 sets out principles for the recognition, valuation, disclosure and notes on leases with the aim of ensuring that lessees and lessors provide relevant information on the effects of leases. A lease exists if the lessee is contractually granted the right to control an identified asset by the lessor for a specified period of time and the lessor receives consideration from the lessee in return.

As a lessee, Deutsche Familienversicherung recognises an asset for the right of use and a lease liability. The right of use is measured at cost, which corresponds to the lease liabilities when measured for the first time. In subsequent measurements, the right of use is subject to straight-line depreciation until the end of the period of lease. Impairments are carried out if they become necessary. The lease liabilities are recognised at the present value of the remaining lease payments. They are generally discounted using the marginal interest rate of the lessee. Lease liabilities are measured at amortised cost using the effective interest method.

Deutsche Familienversicherung makes use of the relief in practice pursuant to IFRS 16.5 and does not recognise any leases with a basic term of less than one year.

Only the rented office building is presented on the balance sheet in the 2022 financial year. As of the reporting date, there were no rights of use pursuant to IFRS 16 because the rental contract expired at the end of the year. Due to extensive restructuring measures, a follow-up contract was not concluded until the second half of 2023.

2.17 Income taxes under IAS 12

Income taxes are comprised of current taxes from corporation tax along with solidarity surcharge and trade tax from each group company. Additionally, changes in deferred tax assets and liabilities are included in this item.

Deutsche Familienversicherung is growing and increases its gross premiums significantly every year. Under current law, the sales expenses required for this cannot be capitalised for tax purposes, but the material acquisition costs are capitalised in accordance with IFRS 17. These acquisition costs are the prime driver of the company’s accumulated tax loss carryforward, but are offset by offsetting deferred tax liabilities from insurance business. The tax loss carryforward will likely be able to be fully used during the five-year planning period.

2.18 Other balance sheet items

2.18.1 Other assets

Other assets include receivables from non-insurance business (mainly trade receivables, advance payments, etc.), tax receivables, accrued interest, prepaid expenses and other assets.

Accruals and deferrals are reported pro rata temporis at nominal value.

2.18.2 Other liabilities

The other liabilities contain liabilities from non-insurance business, liabilities for social security contributions, deferred income and other liabilities.

2.18.3 Lease liabilities

The lease liabilities are liabilities from an IFRS 16 lease and relate to the 10-year lease of the office buildings of Deutsche Familienversicherung in Frankfurt am Main.

2.18.4 Provisions

Provisions include provisions for holiday entitlements and anniversaries, provisions for audit costs, provisions for litigation and recourse and other provisions.

3 CONSOLIDATION PRINCIPLES

Pursuant to IFRS 10 (Consolidated Financial Statements), a parent company controls another entity, irrespective of the nature of its engagement, if it has power of disposition over that entity, is exposed to or has rights to variable returns (positive or negative) from the entity and can influence those returns based on its power of disposition. In this context, a parent company has the power of disposition if it is currently able to determine the relevant activities of the entity based on existing voting rights or other rights. These are the activities that significantly influence the economic success of the investment company.

If voting rights are relevant, the group controls an entity if it directly or indirectly holds more than half of the voting rights in the entity. Potential voting rights are also taken into consideration in evaluating control if they are deemed to be substantial.

Special funds and other structured companies are included in the consolidated financial statements as subsidiaries according to the uniform criteria of IFRS 10, provided the aforementioned requirements have been met. They are also considered consolidated structured entities within the meaning of IFRS 12 (Disclosure of Interests in Other Entities). Pursuant to IFRS 12, structured entities are entities that are designed in such a way that voting rights or similar rights are not relevant to decide who controls the entity.

The balance sheet date of the consolidated subsidiaries is generally 31 December of each calendar year.

Inter-company receivables and liabilities, expenses and income as well as interim results are eliminated.

In general, as part of the consolidated financial statements, uniform group-wide accounting principles are applied. Subsidiaries are consolidated as of the date when Deutsche Familienversicherung obtains a controlling influence. The consolidation ends at the point in time when a controlling influence is no longer possible. A business combination exists when the DFV Group acquires control of another business. A business combination is recognised using the purchase method pursuant to IFRS 3 (Business Combinations). This requires the recognition of all identifiable assets, liabilities and contingent liabilities of the acquired company generally at their fair values on the acquisition date, in particular also the identification and measurement of intangible assets acquired as part of the business combination. The acquisition costs result from the total fair value of the consideration paid to obtain control. Incidental acquisition costs are recorded as an expense in the financial year in which they arise. If the acquisition costs exceed the group's share in the revalued net assets of the subsidiary, the difference is capitalised as goodwill. Differences on the liabilities side are immediately recognised through profit or loss after the carrying amounts have been reassessed.

The non-controlling interest in the net assets of the subsidiary is shown separately in the balance sheet.

At the time when Deutsche Familienversicherung loses control of a subsidiary, the assets and liabilities of the subsidiary are derecognised at their carrying amounts, the carrying amount of all non-controlling interests in the former subsidiary is derecognised and the fair value of the received consideration is recognised. The shares held in the former subsidiary are recognised at fair value and any resulting difference is recognised as a profit or loss in the consolidated income statement. Amounts recognised in other comprehensive income directly in equity in prior periods associated with this subsidiary are transferred to the consolidated income statement or, if required by other standards, directly to retained earnings.

Pursuant to IFRS 10, the consolidated financial statements include all subsidiaries in addition to DFV Deutsche Familienversicherung AG, Frankfurt am Main, as the parent company. The shares in subsidiaries of the group are held directly by Deutsche Familienversicherung. The financial information in the consolidated financial statements contains data of the parent company together with its consolidated subsidiaries, presented as an economic unit.

Deutsche Familienversicherung (Group) consists of seven (previous year: eight) consolidated companies. In addition to the parent company and the four subsidiaries (previous year: five), this includes two special funds, the HI DFV Master Fund, 100 % share, which exclusively comprises the capital assets for business conducted by type of life insurance, and the HI DFV Master II Fund, 100 % share, which comprises investments not allocated to business conducted by type of life insurance.

Deutsche Familienversicherung has held 100 % of the shares of Hyrance AG, Grünwald since July 2023. In August 2023, a merger agreement was concluded in which it was agreed that Hyrance AG would be merged retroactively with DFV Deutsche Familienversicherungs-Krankenversicherung-Vermittlungs-AG in Frankfurt (operating as Hyrance AG) as the acquiring company with effect from 1 January 2023. Subsequently, the merger was registered with the Commercial Register.

LIST OF SUBSIDIARIES

Company	Registered office	Investment book value in € thousand	Holding in %	Subscribed capital in € thousand	Equity in € thousand	Last year's result in € thousand
DFVS Deutsche Familienversicherung Servicegesellschaft mbH	Frankfurt am Main	25.0	100.0	25.0	567.0	96.0
DFVV Deutsche Familienversicherung Vertriebsgesellschaft mbH	Frankfurt am Main	135.0	100.0	25.0	143.9	0.0
DFVR Deutsche Familienversicherung Rechtsschutz-Schadenabwicklungsgesellschaft mbH	Frankfurt am Main	25.0	100.0	25.0	41.6	6.9
Hyrance AG (formerly: DFV Deutsche Familienversicherung Krankenversicherung-Vermittlungs-AG)	Frankfurt am Main	700.0	100.0	500.0	655.9	-17.3

There are no joint ventures or associated companies.

4 DISCLOSURES CONCERNING SPECIAL FUNDS

The investment policy of the two special funds – HI DFV Master Fund and HI DFV Master II Fund – aims to ensure that the assets of Deutsche Familienversicherung are invested in consideration of investment risks and investment opportunities as well as the greatest possible security and profitability while maintaining liquidity at all times and maintaining an appropriate mix and spread. In accordance with the function outsourcing agreement for the HI DFV Master Funds, the manager of the investment funds must comply with investment security guidelines.

Essential principles of the investment policy, such as the stipulation that the fund assets may only be invested on regulated markets and primarily in OECD countries, are established accordingly. The investment policy is continuously reviewed and determined by the investment committee appointed by Deutsche Familienversicherung. In the investment committee, the Executive Board of the company, together with the investment manager, verifies and adjusts the risk, duration and return development of the funds and stipulates to the fund manager in writing fixed rules on permissible asset classes (e.g. derivatives for hedging purposes only), distribution and concentration limits as well as investment specifications. The durations in the individual investments of securities in the fund are determined in line with asset/liability management.

The investments in the HI DFV Master Fund, which are intended to cover the obligations from supplementary health and long-term care insurance by type of life insurance, are monitored by an independent trustee in accordance with section 128 of the VAG. Shares cannot be returned on a daily basis without restrictions. The investment companies are fully consolidated in the consolidated financial statements.

SHARES IN SPECIAL FUNDS as at 31.12.2023

	Share in %
HI DFV Master Fund	100 %
HI DFV Master II Fund	100 %

5 CONSOLIDATED STATEMENT OF CASH FLOW

Funds for financing purposes contain current bank balances. If an item recognised within the cash flow from operating activities contains components attributable to investing or financing activities, this can lead to differences in changes in value between the statement of cash flow and the balance sheet. The corresponding measurement gains and losses from the revaluation reserves were netted directly in the items 'Net changes in insurance contracts issued and reinsurance contracts held (excl. OCI changes)'.

6 SEGMENT REPORTING

6.1 Identification of reportable segments

The business activities of Deutsche Familienversicherung are broken down by product and type of service into insurance and reinsurance contracts issued. Due to the different product types, risks and capital allocations, the insurance activities are further subdivided into the business areas of non-life and accident insurance and health and long-term care insurance.

In accordance with IFRS 8, Deutsche Familienversicherung has therefore identified a total of three reportable segments and the 'Miscellaneous & consolidation' segment. Reinsurance contracts issued are reported in the 'Miscellaneous & consolidation' segment.

The products and services with which the reportable segments generate income are listed below.

6.1.1 Supplementary health insurance

In the supplementary health insurance business area, the reportable segments offer a wide range of insurance products for private customers, such as supplementary dental insurance, hospital and daily sickness allowance insurance, supplementary outpatient insurance and supplementary long-term care insurance.

6.1.2 Property/casualty insurance

In the P/C insurance business area, the reportable segments offer a wide range of insurance products for private customers, such as foreign health insurance, accident insurance, 24-hour accident insurance, contents insurance and liability insurance.

6.1.3 Pet health insurance

In the pet health insurance business segment, the reportable segments offer the following selection of insurance products for private customers: Dog and cat health insurance.

6.1.4 Active reinsurance

The active reinsurance business segment includes the reinsurance of the CareFlex Chemie (Group) consortium concluded in 2021, in which primary insurance shares of Barmenia Krankenversicherung were taken over by Deutsche Familienversicherung. The business segment is reported in the 'Miscellaneous & consolidation' segment.

6.2 General disclosures on segment reporting

Transfer prices between reportable segments are determined on the basis of market prices in the same way as transactions with third parties. Internal allocations of income and expense items to the segments are broken down according to specific key parameters. Transactions between reportable segments are eliminated in the consolidation. Financial information is compiled on the basis of the reportable segments.

6.3 Basis for measurement of the earnings of reportable segments

In order to assess the financial success of the reportable segments and of Deutsche Familienversicherung as a whole, Deutsche Familienversicherung uses the insurance service result (operating income) and earnings before taxes (segment earnings before taxes) as criteria.

Operating income represents the portion of net income before income taxes that is attributable to the ongoing insurance business of Deutsche Familienversicherung. Deutsche Familienversicherung considers this indicator to be useful and meaningful for investors, as it broadens the understanding of operating profitability and improves comparability over time.

The segment earnings before taxes represent the earnings before taxes attributable to the shareholders (including non-controlling interests) of Deutsche Familienversicherung. Deutsche Familienversicherung considers this indicator useful for investors, as this result also includes the effects of short-term market fluctuations and non-operational items.

Operating income is not a substitute for earnings before taxes or income for the period according to IFRS, but should be seen as supplementary information.

6.4 Group segment assets and liabilities

As part of its segment reporting, Deutsche Familienversicherung has also published a condensed balance sheet for each business segment. Essentially, the insurance assets and liabilities, reinsurance assets and liabilities and the capital investment item are broken down. There has been no division of equity.

7 INSURANCE BUSINESS

7.1 Insurance revenues

Insurance revenues are broken down by business area in segment reporting. According to IFRS 17 measurement models, the breakdown is as follows:

revenue under IFRS 17 models

In € thousand	2023	2022
Premium allocation approach (PAA)	111,049	104,286
Variable fee approach (VFA)	7,668	5,678
Premium allocation approach (PAA) – reinsurance contracts issued	750	752
Revenues[1]	**119,467**	**110,716**

7.2 Insurance benefits

Insurance service expenses are broken down by business area and by other expense items in segment reporting. They are broken down as follows in line with the IFRS 17 measurement models:

Insurance benefits

In € thousand	2023	2022
Insurance benefits (claims)	-67,317	-61,079
Acquisition costs	-19,263	-18,850
Expenses for insurance operations	-20,349	-17,033
Insurance benefits	**-106,929**	**-96,962**

7.3 Reinsurance result

The reinsurance service results are broken down by business area in segment reporting. They break down as follows based on IFRS 17 measurement models:

Reinsurance result

In € thousand	2023	2022
Income from reinsurance contracts	16,029	25,663
Expenses from reinsurance contracts	-19,797	-31,368
Net reinsurance result	**-3,768**	**-5,705**

7.4 Total financial result

The following table analyses the components of the overall financial result recognised in the consolidated income statement and in equity:

Financial result – income from capital investments

In € thousand	2023	2022
Interest on investments (not FVTPL)	3,659	1,977
Distributions of investments (FVTPL)	1,054	3,292
Net risk provisioning expenses	-590	284
Measurement of investments (FVTPL)	-452	-4,553
Sales profits/losses	-278	649
Other capital investment expenses & net income from foreign exchanges	-1,264	-594
Total	**2,129**	**1,055**

Financial result – Insurance finance income

In € thousand	2023	2022
Insurance finance expenses – net	-848	-2,095
Reinsurance finance expenses – net	-1,362	1,212
Total	**-2,209**	**-882**

Financing expenses and other financial asset expenses

In € thousand	2023	2022
Financing expenses from finacing	-75	-1
Other financial asset expenses	0	0
Total	**-75**	**-1**

Net change in revaluation reserves

In € thousand	2023	2022
Fixed-interest securities measured at fair value through other comprehensive income	10,927	-22,388
Realisation result from fixed-interest securities measured at fair value through other comprehensive income	-602	-4,366
Changes in insurance finance reserve recognised directly in equity	-8,359	29,138
Deferred taxes on changes in the revaluation reserve	-628	-1,608
Total	**1,339**	**776**

The interest on investments (not FVTPL) in the reporting year resulted from the investment of securities with fixed and variable interest rates, as well as interest income from loans and short-term investments. The line item also presents amortisation using the effective interest method.
The distributions of investments (FVTPL) in the reporting year resulted from investments in equity, bond and real estate funds (investment funds).
Risk provisioning for securities with fixed and variable interest rates (essentially a one-year risk provision for DFV with an expected stage 1 loss) is carried out in the net risk provisioning expenses. In 2023, an extraordinary risk provision was formed there for a real estate bond of € 0.6 million (previous year: € 0 million). The fair value measurements (FVTPL) of investment funds are presented under 'Measurement of investments (FVTPL)'.

The realisation result from disposals of investment funds and the sales profits/losses from securities with fixed and variable interest rates are presented under 'Sales profits/losses'.

Essentially, other capital investment expenses & net income from foreign exchanges contain the company's personnel and non-personnel expenses that are allocated to the administration of capital investments pursuant to section 43, paragraph 1, no. 4 of the RechVersV, as well as special fund administration expenses. This item continues to show interest expenses from short-term overdrafts and the net income from foreign exchanges.

Under 'Insurance finance expenses – net', the full net investment income from the guarantee assets by type of life insurance is derecognised into the CSM. The compounding and discounting of the LIC (provisions for claims) continue to be posted along with the adjustments between expected and actual premium income.
The accumulation and discounting of the reinsurance portfolios continue to be posted under 'Financial income from reinsurance – net', along with the adjustments between expected and actual premium income.

Financing expenses for leases (interest effects from IFRS 16) and other financing expenses are presented in the line item 'Financing expenses & other financial asset expenses'.

Changes in equity resulting from changes in the market value of fixed-interest and variable-interest securities are represented under 'Net change in revaluation reserves'. Changes in the insurance finance reserve that are recognised in other comprehensive income continue to be presented, which is essentially the derecognition of the entire net change in the revaluation reserves for the guarantee assets by type of life insurance into the CSM and the changes in non-current liabilities and assets through interest rate changes in discounting (this is known as the OCI option under IFRS 17, para. 88 b).

7.5 Measurement approach to insurance and reinsurance contracts

Under IFRS 17, the various insurance and reinsurance contracts were measured using the following methods:

a) Full retrospective approach: PAA (direct insurance and reinsurance)

b) Modified retroactive approach: VFA (primary insurance), GMM (reinsurance)

The following tables analyse the changes in net assets and liabilities from primary insurance and reinsurance contracts for each IFRS 17 measurement model. First, changes in the actuarial provision and liabilities are analysed. Changes in the valuation components of the contracts not measured using the PAA are then analysed.

7.5.1 Analysis by remaining coverage period and outstanding claims – contracts measured using the PAA

In € thousand	LRC and capitalised acquisition costs without loss components	LIC Loss reserves	Total	LRC and capitalised acquisition costs without loss components	LIC Loss reserves	Total
		31.12.2023			31.12.2022	
Assets	1,522		1,522	1,464	0	1,464
Capitalised acquisition costs	49,175		49,175	50,021	0	50,021
Liabilities	0	-16,318	-37,300	0	-15,303	-15,303
Net carrying amount as at 01.01	**50,697**	**-16,318**	**34,379**	**51,485**	**-15,303**	**36,182**
Insurance income	**112,600**	**0**	**112,600**	**104,521**	**0**	**104,521**
Insurance expenses	**-16,910**	**3,084**	**-13,826**	**-16,534**	**2,796**	**-13,738**
Insurance benefits	0	3,084	3,084	0	2,796	2,796
Capitalised acquisition costs	-16,910	0	-16,910	-16,534	0	-16,534
Other acquisition costs	0	0	0	0	0	0
Other comprehensive income	**0**	**-2,768**	**-2,768**	**0**	**-3,812**	**-3,812**
Change in provisions for claims	0	-2,152	-2,152	0	-4,025	-4,025
Experience variance claims / expenses	0	-472	-472	0	111	111
Unwinding	0	-145	-145	0	102	102
Total change recognised in profit or loss	**95,690**	**316**	**96,006**	**87,987**	**-1,015**	**86,972**
Cash flows	**-100,097**	**0**	**-100,097**	**-88,775**	**0**	**-88,775**
Premium income	-112,570		-112,570	-104,660		-104,660
Capitalised acquisition costs	12,473		12,473	15,886		15,886
Other acquisition costs	0		0	0		0
Net carrying amount as at 31.12	**46,290**	**-16,002**	**30,287**	**50,697**	**-16,318**	**34,379**
Assets	1,827	0	1,827	1,522	0	1,522
Capitalised acquisition costs	44,463		44,463	49,175		49,175
Lliabilities		-16,002	-16,002		-16,318	-16,318

7.5.2 Analysis by remaining coverage period and outstanding claims – contracts not measured using the PAA

In € thousand	LRC without loss components	LRC loss compo-nent	LIC Loss reserves	Total	LRC without loss components	LRC loss compo-nent	LIC Loss reserves	Total
		31.12.2023				31.12.2022		
Assets	0	0	0	0	0	0	0	0
Liabilities	-118,897	0	-261	-119,158	-108,949	0	-444	-109,393
Net carrying amount as at 01.01	**-118,897**	**0**	**-261**	**-119,158**	**-108,949**	**0**	**-444**	**-109,393**
Insurance income	**22,978**	**0**		**22,978**	**19,471**	**0**	**0**	**19,471**
Insurance expenses	**-16,506**	**0**	**-71**	**-16,578**	**-14,878**	**0**	**183**	**-14,695**
Insurance benefits	-9,752	0		-9,752	-8,402	0	0	-8,402
Acquisition costs	-1,355	0		-1,355	-1,821	0	0	-1,821
Administrative costs	-5,470	0		-5,470	-4,472	0	0	-4,472
Changes relating to past benefit periods	71	0	-71	0	-183	0	183	0
Other	**-676**	**0**	**0**	**-676**	**-598**	**0**	**0**	**-598**
Other revenue	4	0		4	2	0	0	2
Other expenses	-680	0		-680	-600	0	0	-600
TECHNICAL RESULT	**5,795**	**0**	**-71**	**5,724**	**3,995**	**0**	**183**	**4,177**
TECHNICAL FINANCIAL RESULT	**-7,685**	**0**		**-7,685**	**13,830**	**0**	**0**	**13,830**
Total change recognised in profit or loss or other comprehensive income	**-1,890**	**0**	**-71**	**-1,961**	**17,824**	**0**	**183**	**18,007**
Cash flows	**-28,703**	**0**	**0**	**-28,703**	**-27,772**	**0**	**0**	**-27,772**
Premium income	-45,886	0		-45,886	-43,248	0	0	-43,248
Acquisition and administration costs	6,825	0		6,825	6,293	0	0	6,293
Other income and expenses	676	0		676	598	0	0	598
Insurance benefits and expenses paid	9,681	0		9,681	8,585	0	0	8,585
Net as at 31.12	**-149,490**	**0**	**-333**	**-149,823**	**-118,897**	**0**	**-261**	**-119,158**
Assets	0	0	0	0	0	0	0	0
Liabilities	-149,490	0	-333	-149,823	-118,897	0	-261	-119,158

7.5.3 Analysis by valuation components – contracts not measured using the PAA

In € thousand	Cash future flows of payments	Risk adjust-ment	CSM	Total	Cash future flows of payments	Risk adjust-ment	CSM	Total
		31.12.2023				31.12.2022		
Assets	0	0	0	0	14,546	0	0	14,546
Liabilities	-48,978	-2,285	-67,895	-119,158		-6,533	-117,406	-123,939
Net carrying amount as at 01.01	-48,978	-2,285	-67,895	-119,158	14,546	-6,533	-117,406	-109,393
Changes relating to the current benefit period	36,389	89	-30,754	5,724	13,942	163	-9,928	4,177
CSM recognised through profit or loss due to service provision	0	0	4,776	4,776	0	0	2,493	2,493
Risk adjustment change	0	89		89	0	163		163
Experience adjustments	36,389		-35,530	859	13,942		-12,420	1,522
Changes relating to future benefit periods	12,993	-8,712	-4,281	-0	-63,706	4,085	59,622	0
Changes in estimates leading to an adjustment of the CSM	11,573	-8,654	-2,919	-0	-64,828	4,265	60,563	0
New business	1,420	-58	-1,362	-0	1,122	-181	-941	0
Changes relating to past benefit periods	-71	0	71	0	183	0	-183	0
Change in liability for incurred claims	*-71*		*71*	*0*	*183*		*-183*	*0*
Technical result	*49,311*	*-8,623*	*-34,964*	*5,724*	*-49,581*	*4,247*	*49,511*	*4,177*
Technical financial result	-7,685			-7,685	13,830			13,830
Total change recognised in profit or loss or other com-prehensive income	41,625	-8,623	-34,964	-1,961	-35,751	4,247	49,511	18,007
Cash flows	-28,703	0	0	-28,703	-27,772	0	0	-27,772
Premium income	-45,886	0	0	-45,886	-43,248	0	0	-43,248
Acquisition and administration costs	6,825	0	0	6,825	6,293	0	0	6,293
Other income and expenses	676	0	0	676	598	0	0	598
Insurance benefits and expenses paid	9.681	0	0	9,681	8,585	0	0	0
Net carrying amount as at 31.12	-36,056	-10,908	-102,859	-149,823	-48,978	-2,285	-67,895	-119,158
Assets				*0*				*0*
Liabilities	*-36,056*	*-10,908*	*-102,859*	*-149,823*	*-48,978*	*-2,285*	*-67,895*	*-119,158*

7.6 Reconciliations of reinsurance contracts

7.6.1 Analysis by remaining coverage period and outstanding claims – reinsurance contracts measured using the PAA

Reinsurance contracts issued

In € thousand	LRC without loss components	LIC Loss reserves	Total	LRC without loss components	LIC Loss reserves	Total
		31.12.2023			31.12.2022	
Liabilities from reinsurance contracts as at 01.01	0	-16	-16	0	-5	-5
Reinsurance income	750	0	750	750	0	750
Reinsurance expenses	0	0	0	0	0	0
Reinsurance benefits paid and profit-sharing	**0**	**0**	**0**	**0**	**0**	**0**
Change in the provision for outstanding claims	**0**	**0**	***0***	**0**	**0**	**0**
Total change recognised in profit or loss	**750**	**0**	**750**	**750**	**0**	**750**
Investment component	7,118	-7,118	0	6,119	-6,119	0
Cash flows for the period	-7,868	7,084	-784	-6,869	6,108	-761
Reinsurance premiums received	-7,868	0	-7,868	-6,869	0	-6,869
Reinsurance benefits paid and profit-sharing	**0**	**7,084**	**7,084**	**0**	**6,108**	**6,108**
Liabilities from reinsurance contracts as at 31.12	0	-50	-50	0	-16	-16

Reinsurance contracts held

In € thousand	LRC without loss components	LIC Loss reserves	Total	LRC without loss components	LIC Loss reserves	Total
		31.12.2023			31.12.2022	
Balance of liabilities over assets as at 01.01	**-29,410**	**7,753**	**-21,658**	**-30,249**	**6,891**	**-23,357**
(Re)insurance service result from reinsurance contracts held	**-12,995**	**6,032**	**-6,962**	**-18,639**	**12,994**	**-5,646**
Reinsurance premiums paid	-16,253	0	-16,253	-19,478	0	-19,478
Recognition of income from reinsurance commissions for acquisition costs as liabilities	-3,544	0	-3,544	-6,706	0	-6,706
Amortisation of income from reinsurance commission for acquisition costs recognised as liabilities	6,802	0	6,802	7,544	0	7,544
Reinsurance payments received and profit-sharing	0	8,256	8,256	0	12,132	12,132
Change in the provision for outstanding claims	0	-2,224	-2,224	0	861	861
Financial income and expenses from reinsurance contracts held	**0**	**0**	**0**	**0**	**0**	**0**
Interim result	-12,995	6,032	-6,962	-18,639	12,994	-5,646
Investment component	-17,592	17,592	0	-9,303	9,303	-0
Cash flows for the period	**33,845**	**-25,848**	**7,997**	**28,781**	**-21,435**	**7,345**
Reinsurance premiums paid	33,845	0	33,845	28,781	0	28,781
Reinsurance payments received and profit-sharing	0	-25,848	-25,848	0	-21,435	-21,435
Balance of liabilities over assets as at 31.12	**-26,152**	**5,529**	**-20,623**	**-29,410**	**7,753**	**-21,658**

7.6.2 Analysis by remaining coverage period and outstanding claims – reinsurance contracts not measured using the PAA

In € thousand	LRC without loss components	LRC loss component	LIC Liabilities for incurred claims	Total	LRC without loss components	LRC loss component	LIC Liabilities for incurred claims	Total
		31.12.2023				31.12.2022		
Liabilities	0	0	0	0	0	0	-147	-147
Assets	-10,392	0	-82	-10,473	4,525	0	0	4,525
Assets/liabilities from reinsurance contracts as at 01.01	**-10,392**	**0**	**-82**	**-10,473**	**4,525**	**0**	**-147**	**4,378**
Reinsurance premiums	549	0	0	549	571	0	0	571
Changes in estimates leading to an adjustment of the CSM	52	0	0	52	116	0	0	116
Changes relating to past benefit periods	0	0	-44	-44	0	0	65	65
Experience value adjustments due to premiums paid in the period relating to future benefit periods (incl. change in deposit)	-3,958	0	0	-3,958	980	0	0	980
Net income (expense) from reinsurance contracts held	**-3,357**	**0**	**-44**	**-3,401**	**1,667**	**0**	**65**	**1,732**
Financial income from reinsurance contracts held	**289**	**0**	**0**	**289**	**-1,486**	**0**	**0**	**-1,486**
Total change recognised in profit or loss	**-3,067**	**0**	**-44**	**-3,111**	**181**	**0**	**65**	**246**
Total change recognised directly in equity	**1,485**	**0**	**0**	**1,485**	**-13,180**	**0**	**0**	**-13,180**
Investment component	**4,912**	**0**	**0**	**4,912**	**1,017**	**0**	**0**	**1,017**
Cash flows	**-6,197**	**0**	**0**	**-6,197**	**-2,935**	**0**	**0**	**-2,935**
Premiums paid	-4,994	0	0	-4,994	-5,463	0	0	-5,463
Amounts received	-1,203	0	0	-1,203	2,528	0	0	2,528
Assets/liabilities from reinsurance contracts as at 31.12	**-13,258**	**0**	**-126**	**-13,384**	**-10,392**	**0**	**-82**	**-10,473**
Liabilities	0	0	0	0	0	0	0	0
Assets	-13,258	0	-126	-13,384	-10,392	0	-82	-10,473

7.6.3 Analysis by valuation components – contracts not measured using the PAA

In € thousand	Cash future flows of payments	Risk adjustment	CSM	Total	Cash future flows of payments	Risk adjustment	CSM	Total
	31.12.2023				31.12.2022			
Liabilities	30,344	0	0	30,344	76,574	0	0	76,574
Assets	0	-755	-40,062	-40,817	0	-3,152	-69,044	-72,196
Assets/liabilities from reinsurance contracts as at 01.01	**30,344**	**-755**	**-40,062**	**-10,473**	**76,574**	**-3,152**	**-69,044**	**4,378**
Changes relating to current benefit periods	**0**	**29**	**520**	**549**	**0**	**77**	**494**	**571**
CSM recognised through profit or loss due to service provision	0	0	520	520	0	0	494	494
Risk adjustment change	0	29	0	29	0	77	0	77
Changes relating to future benefit periods	**8,449**	**-4,268**	**-8,087**	**-3,906**	**-31,055**	**2,320**	**29,830**	**1,096**
Changes in estimates leading to an adjustment of the CSM	8,448	-4,255	-4,142	52	-31,159	2,352	28,924	116
New business	1	-14	13	0	104	-31	-73	0
Experience value adjustments due to premiums paid in the period relating to future benefit periods (incl. change in deposit)	0	0	-3,958	-3,958	0	0	980	980
Changes relating to past benefit periods	**-44**	**0**	**0**	**-44**	**65**	**0**	**0**	**65**
Changes relating to past benefit periods – change to FCF in relation to the insurance coverage provided	-44	0	0	-44	65	0	0	65
Net income (expense) from reinsurance contracts held	**8,405**	**-4,239**	**-7,567**	**-3,401**	**-30,989**	**2,397**	**30,324**	**1,732**
Financial income from reinsurance contracts held	**1,159**	**0**	**-870**	**289**	**-143**	**0**	**-1,343**	**-1,486**
Total change recognised in profit or loss	**9,565**	**-4,239**	**-8,437**	**-3,111**	**-31,133**	**2,397**	**28,981**	**246**
Total change recognised directly in equity	**-1,485**	**0**	**0**	**-1,485**	**-13,180**	**0**	**0**	**-13,180**
Cash flows	**-1,284**	**0**	**0**	**-1,284**	**-1,918**	**0**	**0**	**-1,918**
Premiums paid	-4,994	0	0	-4,994	-5,463	0	0	-5,463
Amounts received	3,709	0	0	3,709	3,545	0	0	3,545
Assets/liabilities from reinsurance contracts as at 31.12	**40,110**	**-4,994**	**-48,499**	**-13,384**	**30,344**	**-755**	**-40,062**	**-10,473**
Liabilities	40,110	0	0	40,110	30,344	0	0	30,344
Assets	0	-4,994	-48,499	-53,493	0	-755	-40,062	-40,817

7.7 Transfer of insurance contracts to the balance sheet and segment balance sheet

In the following tables, insurance contracts are measured according to the GMM, VFA and PAA and the receivables and liabilities from the insurance and reinsurance business are reconciled to the balance sheet and segment balance sheet. The individual insurance contract portfolios (insurance products) are reported either as assets (positive values (+)) or as liabilities (negative values (-)).

Reconciliation of insurance contracts to the balance sheet

Assets (+) and liabilities (-)	Insurance contracts issued	Reinsurance contracts held	Insurance contracts issued	Reinsurance contracts held
In € thousand	31.12.2023	31.12.2023	31.12.2022	31.12.2022
PAA (insurance contracts issued)	30	0	34	0
VFA (insurance contracts issued)	–150	0	–119	0
PAA (reinsurance issued)	–50	0	–16	0
PAA (reinsurance held)		–21		–22
GMM (reinsurance held)		13		10
Insurance receivables/liabilities	2,003	11	2	–3
Total	**–118**	**–7**	**–83**	**–14**
Of which: Insurance contracts – assets	39	14	41	11
Of which: Insurance contracts – liabilities	–156	–22	–125	–25

7.8 Acquisition costs recognised as assets

Deutsche Familienversicherung capitalises the acquisition costs for pet health insurance and supplementary dental insurance. The declining balance method of depreciation is applied to pet health insurance acquisition costs over four years, and over eight years for supplementary dental insurance.

ACQUISITION COSTS RECOGNISED AS ASSETS

In € thousand	31.12.2023	31.12.2022
Pet health insurance	5,422	8,071
Supplementary dental insurance	44,598	46,386
Total	**50,032**	**54,457**

The following table shows the term in which Deutsche Familienversicherung expects the acquisition costs recognised as an asset (existing business) to be derecognised and taken into account when measuring the associated group of insurance contracts. Reversals for the current year and the following year are also shown.

ACQUISITION COSTS – TERM

in € thousand	Amortisation over / in	31.12.2023	31.12.2024	Written off by
Pet health insurance	4 years (declining balance method)	5,104	3,176	2027
Supplementary dental insurance	8 years (declining balance method)	11,531	11,186	2031

7.9 Fair values of underlying items

Underlying items may comprise any number of items. In the case of DFV, this is a reference portfolio of assets attributable to insurance contracts with direct participation features (variable fee approach).

The composition of the underlying items and their fair values are shown in the following table.

Fair values of underlying items

In € thousand	Supplementary health 31.12.2023	Supplementary health 31.12.2022
Equity fund	1,063	7,800
Real estate fund	33,826	30,990
Bond fund	0	11,202
Bonds	116,340	69,288
Total	**151,229**	**119,281**

7.10 Expected recognition of CSM in profit or loss

The following table illustrates when the remaining CSM is expected to be recognised in profit or loss after the reporting date.

Expected recognition of CSM of VFA contracts in profit or loss, 31.12.2023

In € thousand	2023	2022
1 year	4,776	2,284
1–2 years	4,646	2,548
2–3 years	4,713	2,495
3–4 years	4,798	2,498
4–10 years	27,107	13,805
10–20 years	32,611	18,856
from 20 years	28,985	27,902
Total	107,635	70,388

The amortisation pattern does not account for compounding effects from valuation interest rates or expected excess returns on capital investments for VFA contracts. Additionally, the future amortisation of the CSM does not contain amounts from contracts concluded in future periods. Consequently, the expected recognition of the CSM in profit or loss in the table should not be interpreted as the future amortisation of the CSM.

7.11 Sensitivity analysis

The following table lists the sensitivities on the CSM and the annual profit of the VFA contracts attributable to shareholders. The sensitivities contain a theoretical and direct shift of the yield curve at the end of the reporting period (+/- 100 basis points), a decrease in mortality (decrease of mortality around 20 %) and a decrease in the cancellation rate (decrease in the long-term cancellation rate - after 5 years - by around 20 %). As the sensitivities do not account for all reactions by the management, the results should not be interpreted as a complete actual impact.

CSM VFA contracts based on the following sensitivities as of 31 Dec 2023

in € thousand	Best Estimate		
Capital market sensitivities		+100 bp	-100 bp
CSM	102.859	−6.218	10.817
Profit attributable to shareholders (CSM Release)	4.776	691	−469
Mortality decline		rd. - 20%	
CSM	102.859	−10,039	
Profit attributable to shareholders (CSM Release)	4.776	−594	
Cancellation decline		rd. - 20%	
CSM	102.859	−1,079	
Profit attributable to shareholders (CSM Release)	4.776	−199	

7.12 Claims development

A loss triangle is a two-dimensional graphical representation of loss-related data. One dimension represents the calendar year of the claims; the other represents the year of occurrence (the year in which the claim arose). Based on actuarial methods, these historical loss data are used to forecast expected loss outcomes as at the reporting date and determine the liability of incurred claims with consideration for the discount effect.

Non-life expense triangle including foreign health insurance, 2023

GROSS in € thousand	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1	1584	1.303	2.066	3.235	6.061	11.758	14.412	11.725	9.223	3.544	4.252	4.766	6.665	8.024	10.430
2	1562	1.785	1.626	3.244	6.417	12.572	14.749	11.608	9.197	3.202	3.402	3.721	5.412	7.108	
3	1568	1.816	1.713	2.568	6.259	12.401	14.721	11.476	9.086	2.967	3.251	3.550	5.330		
4	1562	1.800	1.921	2.523	6.355	12.432	14.779	11.340	9.017	2.988	3.152	3.481			
5	1610	1.397	2.120	2.678	6.279	12.431	14.737	11.231	8.765	2.969	3.004				
6	1576	1.407	2.386	2.679	6.279	12.474	14.735	11.107	8.638	2.963					
7	1605	1.396	2.380	2.676	6.308	12.483	14.667	11.066	8.651						
8	1602	1.390	2.440	2.678	6.290	12.494	14.717	11.065							
9	1602	1.390	2.449	2.693	6.290	12.468	14.732								
10	1602	1.364	2.448	2.702	6.292	12.504									
11	1602	1.380	2.454	2.693	6.298										
12	1602	1.379	2.457	2.690											
13	1602	1.379	2.879												
14	1602	1.379													
15	1602	1.303	2.066	3.235	6.061	11.758	14.412	11.725	9.223	3.544	4.252	4.766	6.665	8.024	10.430
Settlement result	**-18**	**-76**	**-812**	**544**	**-237**	**-746**	**-319**	**660**	**572**	**580**	**1,248**	**1,285**	**1,335**	**917**	**10,430**

7.13 Other disclosures regarding insurance contracts

Number of insurance contracts of at least one-year duration

Insurance segments	Number of policies		Changes	
	2023	2022	In units	In %
Total supplementary health insurance	**464,610**	**466,463**	**-1,853**	**-0.4**
Health by type of loss	370,075	371,093	-1,018	-0.3
Health by type of life	94,535	95,370	-835	-0.9
Total non-life insurance	**111,730**	**114,675**	**-2,945**	**-2.6**
Pet health insurance	25,735	24,792	943	3.8
Other non-life insurance	85,995	89,883	-3,888	-4.3
Subtotal for primary insurance business	**576,340**	**581,138**	**-4,798**	**-0.8**
Active reinsurance	**0**	**0**	**0**	**N/A**
Total	**576,340**	**581,138**	**-4,798**	**-0.8**

8 FINANCIAL BUSINESS

8.1 Fair values and carrying amounts of financial instruments

8.1.1 Fair values and carrying amounts

The following table shows the carrying amounts and fair values of the financial instruments held by the DFV Group:

Carrying amounts and fair values of financial instruments	Carrying amount	Fair value	Carrying amount	Fair value
In € thousand	31.12.2023		31.12.2022	
Financial assets – amortised cost	**9,030**	**9,016**	**12,294**	**12,274**
Cash (fund and own portfolio)	8,230	8,230	11,494	11,494
Loan to members of the executive board	800	786	800	780
Financial assets – OCI	**173,036**	**173,036**	**117,109**	**117,109**
Bonds	173,036	173,036	117,109	117,109
less MV* of the option (embedded bonds)	0	0	–36,861	–36,861
Financial assets – P&L	**42,672**	**42,672**	**63,277**	**63,277**
Equity fund	8,846	8,846	12,810	12,810
Bond fund	0	0	19,514	19,514
Bond and credit derivatives	0	0	–36,861	–36,861
including MV* of the option (embedded bonds)	0	0	–36,861	–36,861
Real estate fund	33,826	33,826	30,990	30,990
Total	**224,738**	**224,724**	**192,680**	**192,660**

8.1.2 Regular measurement at fair value

The following financial instruments are regularly measured at fair value:

- Securities measured at fair value through profit or loss (FVTPL)
- Securities measured at fair value through other comprehensive income (FVOCI)

The following table presents the fair value hierarchy of financial instruments measured at fair value:

Fair value hierarchy	31.12.2023			31.12.2022		
In € thousand	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets – OCI	**173,036**	**0**	**0**	**117,109**	**0**	**0**
Bonds	173,036	0	0	117,109	0	0
less MV* of the option (embedded bonds)	0	0	0	–36,861	0	0
Financial assets – P&L	**42,672**	**0**	**0**	**63,277**	**0**	**0**
Equity fund	8,846	0	0	12,810	0	0
Bond fund	0	0	0	19,514	0	0
Bond and credit derivatives	0	0	0	–36,861	0	0
including MV* of the option (embedded bonds)	0	0	0	–36,861	0	0
Real estate fund	33,826	0	0	30,990	0	0
Total	**215,708**	**0**	**0**	**180,386**	**0**	**0**

8.1.3 Reconciliation of financial instruments at Level 3

The following table shows the reconciliation of financial instruments measured at fair value and classified as Level 3:

Reconciliation of financial assets classified as Level 3 In € thousand	Securities measured at FVOCI – bonds
As at 31 December 2022	**0**
Reclassifications (net) to (+) / from (-) Level 3	0
As at 31 December 2023	**0**

In the DFV Group, allowances are made through profit and loss and reduce the premium income and the carrying amount of the receivables. If fair values of receivables are to be determined for the required disclosures in the notes, it is assumed pursuant to IFRS 7.29 (a) that the carrying amount represents the best approximate value. According to the regulations of IFRS 13, this results in an allocation of these fair values to hierarchy level 3.

8.1.4 Fair value measurement of financial assets not measured at fair value

Fair value hierarchy (items not measured at fair value)	31.12.2023			31.12.2022		
In € thousand	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets – amortised cost	**0**	**0**	**786**	**0**	**0**	**780**
Loan to members of the executive board	0	0	786	0	0	780

8.1.5 Gross carrying amounts and risk provision formed (ECL) for FVOCI instruments

The gross carrying amount reflects the maximum default risk. The following table shows the default risk by investment grade and category:

Maximum default risk by investment grade 31.12.2022 In € thousand	12 months	expected over the term, but with no negative impact on creditworthiness	with impairment of creditworthiness	creditworthiness already impaired at the time of purchase or payment	Total
A	2,203	0	0	0	2,203
A-	3,991	0	0	0	3,991
AA	7,560	0	0	0	7,560
AA-	498	0	0	0	498
AA+	8,601	0	0	0	8,601
AAA	37,055	0	0	0	37,055
BB+	540	0	0	0	540
BBB	25,573	0	0	0	25,573
BBB-	30,144	0	0	0	30,144
BBB+	29,327	0	0	0	29,327
unrated	2,419	0	0	0	2,419
Total	**147,911**	**0**	**0**	**0**	**147,911**

Maximum default risk by investment grade 31.12.2023 In € thousand	12 months	expected over the term, but with no negative impact on creditworthiness	with impairment of creditworthiness	creditworthiness already impaired at the time of purchase or payment	Total
A	9,720	0	0	0	9,720
A-	13,460	0	0	0	13,460
AA	1,088	0	0	0	1,088
AA-	1,345	0	0	0	1,345
AA+	13,338	0	0	0	13,338
AAA	11,269	0	0	0	11,269
BB+	31,992	0	0	0	31,992
BBB	31,937	0	0	0	31,937
BBB-	33,648	0	0	0	33,648
BBB+	45,602	0	0	0	45,602
unrated	1,638	0	780	0	2,419
Total	**195,038**	**0**	**780**	**0**	**195,818**

In addition, the current development of the risk provision (ECL) is disclosed under IFRS 9:

Reconciliation of the gross carrying amount and expected credit loss per category as at 31 December 2023/2022	12 months		expected over the term, but with no negative impact on creditworthiness		with impact on creditworthiness		creditworthiness already impaired at the time of purchase or payment		Total	
In € thousand	Gross carrying amount	Exp. credit loss	Gross carrying amount	Exp. credit loss	Gross carrying amount	Exp. credit loss	Gross carrying amount	Exp. credit loss	Gross carrying amount	Exp. credit loss
As at 31 December 2021	**127,220**	**500**	**0**	**0**	**0**	**0**	**0**	**0**	**127,220**	**500**
Changes in inventories (purchase/sale)	20,691	-275	0	0	0	0	0	0	20,691	-275
Changes in models and risk parameters and due to modifications	0	-8	0	0	0	0	0	0	0	-8
Reclassification to the category 'with impact on creditworthiness' and changes in creditworthiness	0	0	0	0	0	0	0	0	0	0
As at 31 December 2022	**147,911**	**216**	**0**	**0**	**0**	**0**	**0**	**0**	**147,911**	**216**
	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
As at 31 December 2022	**147,911**	**216**	**0**	**0**	**0**	**0**	**0**	**0**	**147,911**	**216**
Changes in inventories (purchase/sale)	47,907	-2	0	0	0	0	0	0	47,907	-2
Changes in models and risk parameters and due to modifications	0	0	0	0	0	0	0	0	0	0
Reclassification to the category 'with impact on creditworthiness' and changes in creditworthiness	-780	-9	0	0	780	601	0	0	0	593
As at 31 December 2023	**195,038**	**205**	**0**	**0**	**780**	**601**	**0**	**0**	**195,818**	**807**

9 INTANGIBLE ASSETS

DEVELOPMENT OF OTHER INTANGIBLE ASSETS In € thousand	Insurance-specific software	Other intangible assets	Software in development	Total	Insurance-specific software	Other intangible assets	Total
		2023				2022	
Gross carrying amount as of 01.01	**13,634**	**4,699**		**18,333**	**13,531**	**4,699**	**18,230**
Cumulative deprecation as of 01.01	7,958	4,431		12,389	7,082	3,963	11,045
Balance sheet value as of 01.01	**5,676**	**268**	**0**	**5,944**	**6,449**	**736**	**7,185**
Additions	976	6	180	1,162	103	0	103
Disposals of gross carrying amounts	0	-67		-67	0	0	0
Depreciation and amortisation	907	132		1,039	876	468	1,344
Disposals of depreciation and amortisation	0	0		0	0	0	0
Balance sheet value as of 31.12	**5,745**	**75**	**180**	**6,000**	**5,677**	**269**	**5,944**
Cumulative depreciation as of 31.12	8,866	4,563		13,429	7,958	4,431	12,389
Gross carrying amount as of 31.12	**14,611**	**4,638**	**180**	**19,429**	**13,635**	**4,700**	**18,333**

Intangible assets concern the policy management system BSN that has been in use since 2014, other purchased software and licensing and trademark rights.

10 DEVELOPMENT OF RIGHTS OF USE PURSUANT TO IFRS 16

RIGHTS OF USE

In € thousand	2023	2022
Gross carrying amount as of 01.01	**0**	**2,806**
Cumulative deprecation as of 01.01	0	2,085
Balance sheet value as of 01.01	**0**	**721**
Additions	9,643	0
Disposals of gross carrying amounts	0	2,806
Depreciation and amortisation	452	358
Disposals of depreciation and amortisation		2,443
Balance sheet value as of 31.12	**9,191**	**0**
Cumulative depreciation as of 31.12	452	0
Gross carrying amount as of 31.12	**9,643**	**0**

With the addition of rights of use in August 2023, other liabilities in the same amount were formed. As at 31 December 2023, other liabilities resulting from the application of IFRS 16 amounted to € 9,227 thousand (previous year: € 0 thousand).

11 DEVELOPMENT OF PROPERTY, PLANT AND EQUIPMENT

Essentially, property, plant and equipment consists of IT hardware (€ 280 thousand, previous year: € 233 thousand) and other office equipment (€ 87 thousand, previous year: € 106 thousand).

DEVELOPMENT OF OPERATING AND OFFICE EQUIPMENT

In € thousand	2023	2022
Gross carrying amount as of 01.01	2,258	2,737
Cumulative deprecation as of 01.01	1,883	2,290
Balance sheet value as of 01.01	**375**	**447**
Additions	795	281
Disposals of gross carrying amounts	0	-759
Depreciation and amortisation	120	318
Disposals of depreciation and amortisation	0	-724
Balance sheet value as of 31.12	**1,050**	**375**
Cumulative depreciation as of 31.12	2,004	1,883
Gross carrying amount as of 31.12	**3,054**	**2,258**

11.1 Income taxes

The collectively agreed combined income tax rate for Deutsche Familienversicherung and the domestic corporate group is 31.9 %. The following reconciliation shows the relationship between the income for the period before income taxes in accordance with IFRS and the income taxes for the period. The group tax rate to be used as the basis for the reconciliation is composed of the German corporation tax rate of 15.0 % plus the solidarity surcharge of 5.5 % and an average trade tax rate of 16.1 %. This resulted in an income tax rate of 31.9 % (previous year 31.9 %).

Income taxes

In € thousand	2023	2022
Actual income taxes	-1,082	-730
Deferred income taxes	523	-1,243
Total	**-559**	**-1,973**

11.2 Deferred taxes

In the following table, deferred income taxes are allocated to the valuation differences. At Deutsche Familienversicherung, these mainly relate to valuation differences in capital investments resulting from measurement under IFRS 9 and in the insurance business from measurement under IFRS 17.

Deferred tax assets In € thousand	Total deferred tax assets	of which recognised in OCI	of which recognised in the income statement	of which recognised directly in equity	Total deferred tax assets	of which recognised in OCI	of which recognised in the income statement	of which recognised directly in equity
	31.12.2023				31.12.2022			
Investments	5,309	4,928	381	0	7,837	8,224	-387	0
Technical assets / liabilities	0	0	0	0	0	0	0	0
Other	11	0	11	0	0	0	0	0
Income tax loss carried forward	7,606	0	7,606	0	8,689	0	8,689	0
Total	**12,926**	**4,928**	**7,998**	**0**	**16,526**	**8,224**	**8,302**	**0**

Deferred tax liabilities In € thousand	Total deferred tax liabilities	of which recognised in OCI	of which recognised in the income statement	of which directly in equity	Total deferred tax assets	of which recognised in OCI	of which recognised in the income statement	of which directly in equity
	31.12.2023				31.12.2022			
Investments	0	0	0	0	0	0	0	0
Technical assets / liabilities	14,061	6,426	7,635	0	16,472	9,094	7,378	0
Other	0	0	0	0	0	0	0	0
Total	**14,061**	**6,426**	**7,635**	**0**	**16,472**	**9,094**	**7,378**	**0**

12 EQUITY

The subscribed capital remained at € 29,176 thousand (previous year: € 29,176 thousand) and the capital reserve at € 74,574 thousand (previous year: € 74,574 thousand). The subscribed capital consists of 14,587,780 no-par shares, each with a value of € 2.00 (previous year: 14,587,780 no-par shares with a value of € 2.00 each).

By resolution of the Annual General Meeting on 19 May 2021, the Executive Board is authorised to increase the subscribed capital by up to € 14,587,780 by 18 May 2026, once or multiple times, in exchange for cash contributions and/or contributions in kind, with the consent of the Supervisory Board; the subscription rights of shareholders can be excluded.

Pursuant to section 268, paragraph 8 of the HGB, Deutsche Familienversicherung has barred a total of € 11.5 million from disbursement in connection with the capitalisation of deferred taxes and internally generated intangible assets.

The key ownership interests in the capital of Deutsche Familienversicherung, as defined by section 160, paragraph 1, no. 8 of the AktG, developed as follows in the 2023 financial year:

SHAREHOLDER STRUCTURE

	31.12.2023	31.12.2022
SK Beteiligung GmbH	19,55 %	19,55 %
Luca Pesarini	24,98 %	22,62 %
Annett Vogel	9,56 %	9,56 %
Elias and Noah Vogel	9,56 %	9,56 %
VPV Lebensversicherung AG	14,28 %	14,28 %
Free float	22,07 %	24,43 %
Total	**100,00 %**	**100,00 %**

13 OTHER COMPREHENSIVE INCOME

Deutsche Familienversicherung discloses expenses and income not attributable to the insurance business or investment management business in other comprehensive income. These expenses and income are allocated to the 'Miscellaneous & consolidation' segment.

The other expenses that are not attributed directly to the insurance result are essentially marketing and branding expenses, legal costs not resulting from single-contract insurance business, media and investor relations expenses and restructuring/settlement expenses of € 0.6 million (previous year: € 0.0 million).

14 OTHER BALANCE SHEET ITEMS

Other assets

In €	2023	2022
Interest receivables	2,983	1,882
Prepayments	704	-
Receivables from long-term care allowances	383	422
Receivables from insurance tax	164	113
Receivables from taxes	1,503	997
Rent deposit	35	51
Other receivables and prepaid expenses	543	1,195
Total	**6,316**	**4,659**

Other liabilities

In € thousand	2023	2022
Liabilities (investment fees, capital gains tax etc.)	871	863
Liabilities from contracts with major customers	1,249	1,060
Liabilities from personnel	221	216
Liabilities from insurance tax and VAT	306	207
Other liabilities and deferred income	1,865	3,404
Total	**4,512**	**5,749**

Other provisions

In € thousand	2023	2022
Provisions for personnel	331	402
Provisions for financial statement costs	274	323
Other provisions	2,092	923
Total	**2,697**	**1,648**

15 OTHER INFORMATION

15.1 Relations to associated companies and persons (related parties)

Transactions between Deutsche Familienversicherung and its Group companies that are to be regarded as related parties have been eliminated as a result of consolidation and are not disclosed in the notes.

15.1.1 Events after the reporting date

There were no further events of particular significance after the reporting date that could have a significant impact on the asset, financial and earnings position of the Group.

15.1.2 Disclosures regarding contingent liabilities

As at the reporting date (31 December 2023), there were no contingent liabilities in addition to the provisions recognised in the balance sheet that would have to be reported

15.2 CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

With regard to the declaration pursuant to section 285, no. 16 of the HGB and section 161 of the AktG, please refer to the corporate governance report.

As part of the shareholders' and annual general meetings of DFVR Deutsche Familienversicherung Rechtsschutz-Schadenabwicklungsgesellschaft mbH, DFVS Deutsche Familienversicherung Servicegesellschaft mbH and Deutsche Familienversicherung Krankenversicherung-Vermittlungs-AG, which took place on 6 March 2023, the company undertook to assume all obligations entered into up to 31 December 2022.

There are also other financial obligations from long-term rental and IT outsourcing service contracts in the amount of € 220 thousand (previous year: € 774 thousand).

15.3 Personnel

In the reporting year, the DFV Deutsche Familienversicherung Group had 194 employees in average (previous year: 184).

15.4 Personnel expenses

PERSONNEL EXPENSES

In € thousand	2023	2022	In € thousand	In %
Wages and salaries	13,796	11,880	1,916	16%
Social security and support costs	2,031	1,955	76	4%
Total	**15,827**	**13,835**	**1,992**	**14%**

15.5 EXECUTIVE BOARD AND SUPERVISORY BOARD

15.6 Members of the Executive Board:

Dr Stefan Maximilian Knoll, attorney, Frankfurt am Main (CEO)

Dr Bettina Hornung, qualified IT specialist, Roßdorf (since 1 June 2023)

Ansgar Kaschel, merchant, Idstein (since 1 April 2023)

Dr Karsten Paetzmann, merchant, Hamburg

Marcus Wollny, merchant, Garbsen (until 31 July 2023)

Dr Stefan M. Knoll is a member of the following supervisory board and other supervisory bodies as defined by section 125, paragraph 1, sentence 5 of the AktG.

Membership in legally mandatory supervisory boards:

- Chairman of the Supervisory Board of Hyrance AG

Dr Karsten Paetzmann is a member of the following supervisory board and other supervisory bodies as defined by section 125, paragraph 1, sentence 5 of the AktG.

Membership in legally mandatory supervisory boards:

- Member of the Supervisory Board of Hyrance AG
- Member of the Supervisory Board of Bank für Kirche und Diakonie eG – KD Bank

15.7 Members of the Supervisory Board:

Carola Theresia Paschola, business consultant, Mühlheim am Main, Chairwoman

Georg Glatzel, economist, real estate economist (EBS), Heidelberg

Luca Pesarini, merchant, Schuttrange (Luxembourg), Deputy Chairman

Dr Ulrich Gauß, mathematician, Weil der Stadt (until 24 May 2023)

Axel Hellmann, attorney, Frankfurt am Main (until 24 May 2023)

Ms Carola Paschola is a member of the following supervisory board and other supervisory bodies as defined by section 125, paragraph 1, sentence 5 of the AktG.

Membership in legally mandatory supervisory boards:

- Melanion Digital, Paris, France (non-executive member of the supervisory board)

Membership in similar domestic and foreign supervisory bodies of commercial enterprises:

ClearBank Europe NV, Amsterdam, Netherlands (member of the Supervisory Board: and Chair Nomination & Remuneration Committee)

Mr Luca Pesarini is a member of the following supervisory board and other supervisory bodies as defined by section 125, paragraph 1, sentence 5 of the AktG.

Membership in legally mandatory supervisory boards:

- Member of the Supervisory Board of InCity Immobilien AG, Schönefeld

Membership in similar domestic and foreign supervisory bodies of commercial enterprises:

- Chairman of the Management Board of Haron Holding S.A., Luxembourg
- President of the Management Board of MainFirst Holding AG, Switzerland
- Chairman of the Management Board of FENTHUM S.A., Luxembourg
- Chairman of the Management Board of Realsoul Holding S.A., Luxembourg
- Member of the Management Board of Aereo Gate Properties S.A., Luxembourg
- Chairman of the Management Board of ATHELIOS Holding S.A., Luxembourg
- Chairman of the Management Board of ATHELIOS Vermögensatelier SE, Frankfurt am Main
- Member of the Management Board of Colin & Cie. AG, Switzerland

Mr Georg Glatzel is a member of the following supervisory board and other supervisory bodies as defined by section 125, paragraph 1, sentence 5 of the AktG.

Membership in legally mandatory supervisory boards:

- Member of the Supervisory Board of InCity Immobilien AG, Schönefeld

15.8 SALARIES OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

The members of the Executive Board receive fixed remuneration. They are not entitled to extra remuneration. Members of the Executive Board receive a performance-based bonus that is determined by the Supervisory Board on a case-by-case basis. Additionally, the members of the Executive Board receive a health insurance allowance in the amount of the maximum employer contribution to statutory health insurance.

The total remuneration of the appointed members of the Executive Board (fixed remuneration, fringe benefits and short-term variable remuneration) amounted to € 2,436 thousand in the financial year (previous year: € 2,221 thousand). The remuneration of the Supervisory Board (fixed remuneration and ancillary costs) amounted to € 239 thousand (previous year: € 245 thousand).

In accordance with section 289f of the HGB, we refer to the remuneration report which Deutsche Familienversicherung has published on its website.

Publications (deutsche-familienversicherung.de)

15.9 AUDITOR'S FEE

As at the balance sheet date, the total fee charged by the auditor for services rendered in the financial year amounted to € 271 thousand (previous year: € 278 thousand). It is attributable to audit services exclusively.

16 PROPOSED APPROPRIATION OF NET INCOME

The net loss of € 21,264,532.74 in the previous year decreased to € 15,738,236.10 due to the annual profit for the financial year totalling € 5,526,296.64. The Executive Board proposes that the net loss be carried forward.

17 EVENTS AFTER THE REPORTING DATE

There have been no events of particular significance since the end of the Group financial year that have not been included in either the consolidated income statement or the consolidated balance sheet.

Frankfurt am Main, 22 April 2024

DFV Deutsche Familienversicherung AG

Executive Board

Dr Stefan M. Knoll Chairman of the Executive Board (CEO)	Dr Karsten Paetzmann Member of the Executive Board (CFO)	Dr Bettina Hornung Member of the Executive Board (CIO)	Ansgar Kaschel Member of the Executive Board (CSO)

18 RESPONSIBILITY STATEMENT OF THE LEGAL REPRESENTATIVES (BALANCE SHEET OATH)

‘We assure to the best of our knowledge that – in accordance with the applicable reporting principles – the consolidated financial statements as at 31 December 2023 give a true and fair view of the asset, financial and earnings position of the group, and the management report of the group includes a fair review of the development and performance of the business and the position of the group together with a description of the principal opportunities and risks associated with the expected development of the group.’

Frankfurt am Main, 22 April 2024

DFV Deutsche Familienversicherung AG

Executive Board

Dr. Stefan M. Knoll
Chairman of the Executive Board
(CEO)

Dr. Karsten Paetzmann
Member of the Executive Board
(CFO)

Dr. Bettina Hornung
Member of the Executive Board
(CIO)

Ansgar Kaschel
Member of the Executive Board
(CSO)

19 INDEPENDENT AUDITOR'S REPORT

To DFV Deutsche Familienversicherung AG, Frankfurt am Main:

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT FROM 1 JANUARY TO 31 DECEMBER 2023

Wiedergabe des Bestätigungsvermerks

Wir haben dem Konzernabschluss und dem Konzernlagebericht für das Geschäftsjahr 2023 der Deutschen

Familienversicherung AG, Frankfurt am Main, in der Fassung der Anlage 1 den folgenden Bestätigungsvermerk erteilt:

„BESTÄTIGUNGSVERMERK DES UNABHÄNGIGEN ABSCHLUSSPRÜFERS

An die DFV Deutsche Familienversicherung AG, Frankfurt am Main

VERMERK ÜBER DIE PRÜFUNG DES KONZERNABSCHLUSSES UND DES KONZERNLAGEBERICHTS

Prüfungsurteile

Wir haben den Konzernabschluss der DFV Deutschen Familienversicherung AG, Frankfurt am Main, und ihrer Tochtergesellschaften (der Konzern) – bestehend aus der Konzernbilanz zum 31. Dezember 2023, der Konzern-Gesamtergebnisrechnung, dem Konzern-Eigenkapitalspiegel und der Konzern-Kapitalflussrechnung für das Geschäftsjahr vom 1. Januar bis zum 31. Dezember 2023 sowie dem Konzernanhang, einschließlich einer Zusammenfassung bedeutsamer Rechnungslegungsmethoden – geprüft. Darüber hinaus haben wir den Konzernlagebericht der DFV Deutschen Familienversicherung AG, Frankfurt am Main, für das Geschäftsjahr vom 1. Januar bis zum 31. Dezember 2023 geprüft. Den in Abschnitt 5 des Konzernlageberichts enthaltenen „Nachhaltigkeitsbericht" sowie die in Abschnitt 6 des Konzernlageberichts enthaltene zusammengefasste Erklärung zur Unternehmensführung nach §§ 289f und 315d HGB einschließlich der darin enthaltenen weiteren Berichterstattung über Corporate Governance haben wir in Einklang mit den deutschen gesetzlichen Vorschriften nicht inhaltlich geprüft.

Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse

• entspricht der beigefügte Konzernabschluss in allen wesentlichen Belangen den IFRS, wie sie in der EU anzuwenden sind, und den ergänzend nach § 315e Abs. 1 HGB anzuwendenden deutschen gesetzlichen Vorschriften und vermittelt unter Beachtung dieser Vorschriften ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- und Finanzlage des Konzerns zum 31. Dezember 2023 sowie seiner Ertragslage für das Geschäftsjahr vom 1. Januar bis zum 31. Dezember 2023 und

• vermittelt der beigefügte Konzernlagebericht insgesamt ein zutreffendes Bild von der Lage des Konzerns. In allen wesentlichen Belangen steht dieser Konzernlagebericht in Einklang mit dem Konzernabschluss, entspricht den deutschen gesetzlichen Vorschriften und stellt die Chancen und Risiken der zukünftigen Entwicklung zutreffend dar. Unser Prüfungsurteil zum Konzernlagebericht erstreckt sich nicht auf die Inhalte des oben genannten „Nachhaltigkeitsberichts" sowie der oben genannten zusammengefassten Erklärung zur Unternehmensführung einschließlich der darin enthaltenen weiteren Berichterstattung über Corporate Governance.

Gemäß § 322 Abs. 3 Satz 1 HGB erklären wir, dass unsere Prüfung zu keinen Einwendungen gegen die Ordnungsmäßigkeit des Konzernabschlusses und des Konzernlageberichts geführt hat.

Grundlage für die Prüfungsurteile

Wir haben unsere Prüfung des Konzernabschlusses und des Konzernlageberichts in Übereinstimmung mit § 317 HGB und der EU-Abschlussprüferverordnung (Nr. 537/2014; im Folgenden „EU-APrVO") unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführt. Unsere Verantwortung nach diesen Vorschriften und Grundsätzen ist im Abschnitt „Verantwortung des Abschlussprüfers für die Prüfung des Konzernabschlusses und des Konzernlageberichts" unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von den Konzernunternehmen unabhängig in Übereinstimmung mit den europarechtlichen sowie den deutschen handelsrechtlichen und berufsrechtlichen Vorschriften und haben unsere sonstigen deutschen Berufspflichten in Übereinstimmung mit diesen Anforderungen

erfüllt. Darüber hinaus erklären wir gemäß Artikel 10 Abs. 2 Buchst. f) EU-APrVO, dass wir keine verbotenen Nichtprüfungsleistungen nach Artikel 5 Abs. 1 EU-APrVO erbracht haben. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zum Konzernabschluss und zum Konzernlagebericht zu dienen.

Besonders wichtige Prüfungssachverhalte in der Prüfung des Konzernabschlusses

Besonders wichtige Prüfungssachverhalte sind solche Sachverhalte, die nach unserem pflichtgemäßen Ermessen am bedeutsamsten in unserer Prüfung des Konzernabschlusses für das Geschäftsjahr vom 1. Januar bis zum 31. Dezember 2023 waren. Diese Sachverhalte wurden im Zusammenhang mit unserer Prüfung des Konzernabschlusses als Ganzem und bei der Bildung unseres Prüfungsurteils hierzu berücksichtigt; wir geben kein gesondertes Prüfungsurteil zu diesen Sachverhalten ab.

Nachfolgend stellen wir mit der Bewertung der Verbindlichkeiten aus ausgestellten Versicherungsverträgen (LRC/LIC) als den aus unserer Sicht besonders wichtigen Prüfungssachverhalt dar.

Unsere Darstellung dieses besonders wichtigen Prüfungssachverhalts haben wir wie folgt strukturiert:

a) Sachverhaltsbeschreibung (einschließlich Verweis auf zugehörige Angaben im Konzernabschluss)

b) Prüferisches Vorgehen

Bewertung der Verbindlichkeiten aus ausgestellten Versicherungsverträgen (LRC/LIC)

a) Im Konzernabschluss der DFV Deutsche Familienversicherung AG, Frankfurt am Main, werden Verbindlichkeiten aus ausgestellten Versicherungsverträgen in Höhe von TEUR 156.353 bzw. 52,0 % der Bilanzsumme ausgewiesen.

Die Verbindlichkeiten setzen sich aus Liability for Remaining Coverage (LRC) and Liability for Incurred Claims (LIC) zusammen.

Die DFV Deutsche Familienversicherung AG ermittelt die Verbindlichkeiten aus ausgestellten Versicherungsverträgen nach dem Variable Fee Approach, dem General Measurement Model und dem Premium Allocation Approach.

Die LRC setzt sich aus den risikoadjustierten Erfüllungszahlungsströmen und der vertraglichen Servicemarge bzw. Contractual Service Margin (CSM) zusammen. Die Erfüllungszahlungsströme im langfristigen Versicherungsgeschäft werden anhand eines aktuariellen Bewertungsmodells ermittelt. Eine besondere Bedeutung kommt hierbei den von den gesetzlichen Vertretern getroffenen Annahmen zu den biometrischen Rechnungsgrundlagen, den einem Portfolio direkt zuordenbaren Kosten, der ausgewählten Zinsstrukturkurve sowie den zukünftig erwarteten Überschussbeteiligungen der Versicherungsnehmer zu. Der Anteil des Versicherungsunternehmens an den zukünftig erwarteten Rohüberschüssen hat einen wesentlichen Einfluss auf die Höhe der CSM.

Die getroffenen Annahmen und Einschätzungen der gesetzlichen Vertreter über die Verwendung und/oder Anpassung von Berechnungsparametern haben eine direkte und deutliche Auswirkung auf das Ergebnis im Konzernabschluss. Sowohl bei der Wahl des Bewertungsmodells als auch im Falle der Verwendung von Schätzparametern wird Ermessen ausgeübt, wodurch ein erhöhtes Fehlerrisiko besteht.

Die LIC wird für eingetretene und noch nicht regulierte Schäden gebildet. Sie besteht ausschließlich aus risikoadjustierten zukünftig erwarteten Erfüllungszahlungsströmen.

Hierbei werden die zukünftigen Zahlungen für Versicherungsleistungen und die einem Portfolio direkt zuordenbaren Kosten des Versicherungsunternehmens (Verwaltungs- und Schadenregulierungskosten) sowie eine angemessene Risikoanpassung geschätzt. Die Annahmen und Schätzverfahren sind stark ermessensbehaftet.

Das ausgeübte Ermessen führt zu direkten Auswirkungen auf den Konzernabschluss und zu einem erhöhten Fehlerrisiko.

Aufgrund der vorhandenen Ermessenspielräume und der Komplexität der Bewertungsmodelle war die Bewertung der Verbindlichkeiten aus ausgestellten Versicherungsverträgen (LRC/LIC) bei unserer Abschlussprüfung von besonderer Bedeutung.

Die Angaben der gesetzlichen Vertreter der Gesellschaft zu den Verbindlichkeiten aus ausgestellten Versicherungsverträgen finden sich in den Abschnitten „Bewertung von Versicherungsverträgen (IFRS 17)“ des Konzern-Anhangs. Risikoangaben sind im Konzernlagebericht im Abschnitt „Versicherungstechnische Chancen und Risiken“enthalten.

b) Im Rahmen der Prüfung haben wir ein Verständnis von den wesentlichen Prozessen zur Ermittlung der Verbindlichkeiten aus ausgestellten Versicherungsverträgen erlangt und die diesbezügliche Aufbau- und Ablauforganisation gewürdigt und die prüfungsrelevanten Kontrollen auf Angemessenheit und Wirksamkeit geprüft.

Weiterhin haben wir beurteilt, inwieweit die Vorgehensweise durch subjektive Einschätzungen, Komplexität oder sonstige inhärente Risiken beeinflussbar ist. Unsere Prüfung erfolgte unter Einbindung unserer Aktuare in das Prüfungsteam. Wir haben die Prüfung der Angemessenheit der getroffenen Annahmen und angesetzten Parameter, der angewendeten Methoden und Vereinfachungen geprüft sowie in Stichproben die verwendeten Daten für die verschiedenen Portfolien validiert.

Für das langfristige Versicherungsgeschäft haben wir anhand einer von uns ausgewählten Stichprobe die Ergebnisse des aktuariellen Bewertungsmodells geprüft. Dabei haben wir die Erfüllungszahlungsströme aus dem aktuariellen Modell plausibilisiert. Hierbei haben wir auch die durch die Gesellschaft vorgelegten Validierungen (inkl. der Validierung der Optimierung der Bestandsdaten), die Validierung der stochastischen Kapitalmarktpfade sowie die Validierung der Ergebnisse einzelner Kapitalmarktpfade der stochastischen Berechnung, Sensitivitätsberechnungen zu den wesentlichen Annahmen und Überleitungen von einem Bilanzstichtag zum nächsten Bilanzstichtag auf jährlicher Basis berücksichtigt. Für das so bewertete Versicherungsgeschäft haben wir zudem die bilanzierten Verbindlichkeiten mit den Ergebnissen aus dem aktuariellen Bewertungsmodell abgestimmt.

Für das unter dem Premium Allocation Approach bewertete Versicherungsgeschäft haben wir die Plausibilität der Gesamtentwicklung der versicherungstechnischen Verbindlichkeiten der einzelnen Portfolien geprüft.

Für das Sach- und Unfallversicherungsgeschäft haben wir zudem in Bezug auf die LIC analog zu Solvency II eigene Best Estimate Schätzungen durchgeführt.

Als Teil der Prüfung der LRC haben wir die Entwicklung der aktivierten Abschlusskosten nachvollzogen und die Konsistenz zu den angefallenen Abschlusskosten sowie den Übergang in die LRC geprüft.

Im Falle von Schätzungen der gesetzlichen Vertreter haben wir die angewandten Methoden, die getroffenen Annahmen und die verwendeten Daten auf Vertretbarkeit beurteilt.

Zudem haben wir die Vollständigkeit und Richtigkeit der Angaben im Konzernanhang geprüft.

Sonstige Informationen

Die gesetzlichen Vertreter bzw. der Aufsichtsrat sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen umfassen:

- *den Bericht des Aufsichtsrats,*
- *den in Abschnitt 5 des Konzernlageberichts enthaltenen „Nachhaltigkeitsbericht“,*
- *die in Abschnitt 6 des Konzernlageberichts enthaltene zusammengefasste Erklärung zur Unternehmensführung einschließlich der darin enthaltenen weiteren Berichterstattung über Corporate Governance,*
- *die Versicherung der gesetzlichen Vertreter nach § 297 Abs. 2 Satz 4 HGB bzw. nach § 315 Abs. 1 Satz 5 HGB zum Konzernabschluss und zum Konzernlagebericht und*
- *alle übrigen Teile des Geschäftsberichts,*
- *aber nicht den Konzernabschluss, nicht die inhaltlich geprüften Konzernlageberichtsangaben und nicht unseren dazugehörigen Bestätigungsvermerk.*

Der Aufsichtsrat ist für den Bericht des Aufsichtsrats verantwortlich. Für die Erklärung nach § 161 AktG zum Deutschen Corporate Governance Kodex, die Bestandteile der in Abschnitt 6 des Konzernlageberichts enthaltenen zusammengefassten Erklärung zur Unternehmensführung ist, sind die gesetzlichen Vertreter und der Aufsichtsrat verantwortlich. Im Übrigen sind die gesetzlichen Vertreter für die sonstigen Informationen verantwortlich.

Unsere Prüfungsurteile zum Konzernabschluss und zum Konzernlagebericht erstrecken sich nicht auf die sonstigen Informationen, und dementsprechend geben wir weder ein Prüfungsurteil noch irgendeine andere Form von Prüfungsschlussfolgerung hierzu ab.

Im Zusammenhang mit unserer Prüfung haben wir die Verantwortung, die oben genannten sonstigen Informationen zu lesen und dabei zu würdigen, ob die sonstigen Informationen

- *wesentliche Unstimmigkeiten zum Konzernabschluss, zu den inhaltlich geprüften Konzernlageberichtsangaben oder zu unseren bei der Prüfung erlangten Kenntnissen aufweisen oder*
- *anderweitig wesentlich falsch dargestellt erscheinen.*

Verantwortung der gesetzlichen Vertreter und des Aufsichtsrats für den Konzernabschluss und den Konzernlagebericht

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Konzernabschlusses, der den IFRS, wie sie in der EU anzuwenden sind, und den ergänzend nach § 315e Abs. 1 HGB anzuwendenden deutschen gesetzlichen Vorschriften in allen wesentlichen Belangen entspricht, und dafür, dass der Konzernabschluss unter Beachtung dieser Vorschriften ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie als notwendig bestimmt haben, um die Aufstellung eines Konzernabschlusses zu ermöglichen, der frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen (d.h. Manipulationen der Rechnungslegung und Vermögensschädigungen) oder Irrtümern ist.

Bei der Aufstellung des Konzernabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit des Konzerns zur Fortführung der Unternehmenstätigkeit zu beurteilen. Des Weiteren haben sie die Verantwortung, Sachverhalte im Zusammenhang mit der Fortführung der Unternehmenstätigkeit, sofern einschlägig, anzugeben. Darüber hinaus sind sie dafür verantwortlich, auf der Grundlage des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit zu bilanzieren, es sei denn, es besteht die Absicht, den Konzern zu liquidieren, oder der Einstellung des Geschäftsbetriebs, oder es besteht keine realistische Alternative dazu.

Außerdem sind die gesetzlichen Vertreter verantwortlich für die Aufstellung des Konzernlageberichts, der insgesamt ein zutreffendes Bild von der Lage des Konzerns vermittelt sowie in allen wesentlichen Belangen mit dem Konzernabschluss in Einklang steht, den deutschen gesetzlichen Vorschriften entspricht und die Chancen und Risiken der zukünftigen Entwicklung zutreffend darstellt. Ferner sind die gesetzlichen Vertreter verantwortlich für die Vorkehrungen und Maßnahmen (Systeme), die sie als notwendig erachtet haben, um die Aufstellung eines Konzernlageberichts in Übereinstimmung mit den anzuwendenden deutschen gesetzlichen Vorschriften zu ermöglichen und um ausreichende geeignete Nachweise für die Aussagen im Konzernlagebericht erbringen zu können.

Der Aufsichtsrat ist verantwortlich für die Überwachung des Rechnungslegungsprozesses des Konzerns zur Aufstellung des Konzernabschlusses und des Konzernlageberichts.

Verantwortung des Abschlussprüfers für die Prüfung des Konzernabschlusses und des Konzernlageberichts

Unsere Zielsetzung ist, hinreichende Sicherheit darüber zu erlangen, ob der Konzernabschluss als Ganzes frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist, und ob der Konzernlagebericht insgesamt ein zutreffendes Bild von der Lage des Konzerns vermittelt sowie in allen wesentlichen Belangen mit dem Konzernabschluss sowie mit den bei der Prüfung gewonnenen Erkenntnissen in Einklang steht, den deutschen gesetzlichen Vorschriften entspricht und die Chancen und Risiken der zukünftigen Entwicklung zutreffend darstellt, sowie einen Bestätigungsvermerk zu erteilen, der unsere Prüfungsurteile zum Konzernabschluss und zum Konzernlagebericht beinhaltet.

Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit § 317 HGB und der EU-APrVO unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführte Prüfung eine wesentliche falsche Darstellung stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtürmern resultieren und werden als wesentlich angesehen, wenn vernünftigerweise erwartet werden könnte, dass sie einzeln oder insgesamt die auf der Grundlage dieses Konzernabschlusses und Konzernlageberichts getroffenen wirtschaftlichen Entscheidungen von Adressaten beeinflussen.

Während der Prüfung üben wir pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung. Darüber hinaus

• identifizieren und beurteilen wir die Risiken wesentlicher falscher Darstellungen im Konzernabschluss und im Konzernlagebericht aufgrund von dolosen Handlungen und Irrtümern, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zu dienen. Das Risiko, dass aus dolosen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als das Risiko, dass aus Irrtümern resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, da dolose Handlungen kollusives Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen bzw. das Außerkraftsetzen interner Kontrollen beinhalten können.

• gewinnen wir ein Verständnis von dem für die Prüfung des Konzernabschlusses relevanten internen Kontrollsystem und den für die Prüfung des Konzernlageberichts relevanten Vorkehrungen und Maßnahmen, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit dieser Systeme abzugeben.

• beurteilen wir die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben.

• ziehen wir Schlussfolgerungen über die Angemessenheit des von den gesetzlichen Vertretern angewandten Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame Zweifel an der Fähigkeit des Konzerns zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir zu dem Schluss kommen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, im Bestätigungsvermerk auf die dazugehörigen Angaben im Konzernabschluss und im Konzernlagebericht aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser jeweiliges Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass der Konzern seine Unternehmenstätigkeit nicht mehr fortführen kann.

• beurteilen wir Darstellung, Aufbau und Inhalt des Konzernabschlusses insgesamt einschließlich der Angaben sowie ob der Konzernabschluss die zugrundeliegenden Geschäftsvorfälle und Ereignisse so darstellt, dass der Konzernabschluss unter Beachtung der IFRS, wie sie in der EU anzuwenden sind, und der ergänzend nach § 315e Abs. 1 HGB anzuwendenden deutschen gesetzlichen Vorschriften ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt.

• holen wir ausreichende geeignete Prüfungsnachweise für die Rechnungslegungsinformationen der Unternehmen oder Geschäftstätigkeiten innerhalb des Konzerns ein, um Prüfungsurteile zum Konzernabschluss und zum Konzernlagebericht abzugeben. Wir sind verantwortlich für die Anleitung, Überwachung und Durchführung der Konzernabschlussprüfung. Wir tragen die alleinige Verantwortung für unsere Prüfungsurteile.

• beurteilen wir den Einklang des Konzernlageberichts mit dem Konzernabschluss, seine Gesetzesentsprechung und das von ihm vermittelte Bild von der Lage des Konzerns.

• führen wir Prüfungshandlungen zu den von den gesetzlichen Vertretern dargestellten zukunftsorientierten Angaben im Konzernlagebericht durch. Auf Basis ausreichender geeigneter Prüfungsnachweise vollziehen wir dabei insbesondere die den zukunftsorientierten Angaben von den gesetzlichen Vertretern zugrunde gelegten bedeutsamen Annahmen nach und beurteilen die sachgerechte Ableitung der zukunftsorientierten Angaben aus diesen Annahmen. Ein eigenständiges Prüfungsurteil zu den zukunftsorientierten Angaben sowie zu den zugrunde liegenden Annahmen geben wir nicht ab. Es besteht ein erhebliches unvermeidbares Risiko, dass künftige Ereignisse wesentlich von den zukunftsorientierten Angaben abweichen.

Wir erörtern mit den für die Überwachung Verantwortlichen unter anderem den geplanten Umfang und die Zeitplanung der Prüfung sowie bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Prüfung feststellen.

Wir geben gegenüber den für die Überwachung Verantwortlichen eine Erklärung ab, dass wir die relevanten Unabhängigkeitsanforderungen eingehalten haben, und erörtern mit ihnen alle Beziehungen und sonstigen Sachverhalte, von denen vernünftigerweise angenommen werden kann, dass sie sich auf unsere Unabhängigkeit auswirken, und die hierzu getroffenen Schutzmaßnahmen.

Wir bestimmen von den Sachverhalten, die wir mit den für die Überwachung Verantwortlichen erörtert haben, diejenigen Sachverhalte, die in der Prüfung des Konzernabschlusses für den aktuellen Berichtszeitraum am bedeutsamsten waren und daher die besonders wichtigen Prüfungssachverhalte sind. Wir beschreiben diese Sachverhalte im Bestätigungsvermerk, es sei denn, Gesetze oder andere Rechtsvorschriften schließen die öffentliche Angabe des Sachverhalts aus.

SONSTIGE GESETZLICHE UND ANDERE RECHTLICHE ANFORDERUNGEN

Vermerk über die Prüfung der für Zwecke der Offenlegung erstellten elektronischen Wiedergaben des Konzernabschlusses und des Konzernlageberichts nach § 317 Abs. 3a HGB

Prüfungsurteil

Wir haben gemäß § 317 Abs. 3a HGB eine Prüfung mit hinreichender Sicherheit durchgeführt, ob die in der Datei, die den SHA-256-Wert XXXXXXXXXXXXXXXX aufweist, enthaltenen und für Zwecke der Offenlegung erstellten Wiedergaben des Konzernabschlusses und des Konzernlageberichts (im Folgenden auch als „ESEF-Unterlagen" bezeichnet) den Vorgaben des § 328 Abs. 1 HGB an das elektronische Berichtsformat („ESEF-Format") in allen wesentlichen Belangen entsprechen. In Einklang mit den deutschen gesetzlichen Vorschriften erstreckt sich diese Prüfung nur auf die Überführung der Informationen des Konzernabschlusses und des Konzernlageberichts in das

ESEF-Format und daher weder auf die in diesen Wiedergaben enthaltenen noch auf andere in der oben genannten Datei enthaltene Informationen.

Nach unserer Beurteilung entsprechen die in der oben genannten Datei enthaltenen und für Zwecke der Offenlegung erstellten Wiedergaben des Konzernabschlusses und des Konzernlageberichts in allen wesentlichen Belangen den Vorgaben des § 328 Abs. 1 HGB an das elektronische Berichtsformat. Über dieses Prüfungsurteil sowie unsere im voranstehenden „Vermerk über die Prüfung des Konzernabschlusses und des Konzernlageberichts" enthaltenen Prüfungsurteile zum beigefügten Konzernabschluss und zum beigefügten Konzernlagebericht für das Geschäftsjahr vom 1. Januar bis zum 31. Dezember 2023 hinaus geben wir keinerlei Prüfungsurteil zu den in diesen Wiedergaben enthaltenen Informationen sowie zu den anderen in der oben genannten Datei enthaltenen Informationen ab.

Grundlage für das Prüfungsurteil

Wir haben unsere Prüfung der in der oben genannten Datei enthaltenen Wiedergaben des Konzernabschlusses und des Konzernlageberichts in Übereinstimmung mit § 317 Abs. 3a HGB unter Beachtung des IDW Prüfungsstandards: Prüfung der für Zwecke der Offenlegung erstellten elektronischen Wiedergaben von Abschlüssen und Lageberichten nach § 317 Abs. 3a HGB (IDW PS 410 (06.2022)) durchgeführt. Unsere Verantwortung danach ist im Abschnitt „Verantwortung des Konzernabschlussprüfers für die Prüfung der ESEF-Unterlagen" weitergehend beschrieben. Unsere Wirtschaftsprüferpraxis hat die Anforderungen der IDW Qualitätssicherungsstandards angewendet.

Verantwortung der gesetzlichen Vertreter und des Aufsichtsrats für die ESEF-Unterlagen

Die gesetzlichen Vertreter der Gesellschaft sind verantwortlich für die Erstellung der ESEF-Unterlagen mit den elektronischen Wiedergaben des Konzernabschlusses und des Konzernlageberichts nach Maßgabe des § 328 Abs. 1 Satz 4 Nr. 1 HGB und für die Auszeichnung des Konzernabschlusses nach Maßgabe des § 328 Abs. 1 Satz 4 Nr. 2 HGB.

Ferner sind die gesetzlichen Vertreter der Gesellschaft verantwortlich für die internen Kontrollen, die sie als notwendig erachten, um die Erstellung der ESEF-Unterlagen zu ermöglichen, die frei von wesentlichen – beabsichtigten oder unbeabsichtigten – Verstößen gegen die Vorgaben des § 328 Abs. 1 HGB an das elektronische Berichtsformat sind.

Der Aufsichtsrat ist verantwortlich für die Überwachung des Prozesses der Erstellung der ESEF-Unterlagen als Teil des Rechnungslegungsprozesses.

Verantwortung des Konzernabschlussprüfers für die Prüfung der ESEF-Unterlagen

Unsere Zielsetzung ist, hinreichende Sicherheit darüber zu erlangen, ob die ESEF-Unterlagen frei von wesentlichen – beabsichtigten oder unbeabsichtigten – Verstößen gegen die Anforderungen des § 328 Abs. 1 HGB sind.

Während der Prüfung üben wir pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung. Darüber hinaus

• identifizieren und beurteilen wir die Risiken wesentlicher – beabsichtigter oder unbeabsichtigter – Verstöße gegen die Anforderungen des § 328 Abs. 1 HGB, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen.

• gewinnen wir ein Verständnis von den für die Prüfung der ESEF-Unterlagen relevanten internen Kontrollen, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit dieser Kontrollen abzugeben.

• beurteilen wir die technische Gültigkeit der ESEF-Unterlagen, d.h. ob die die ESEF-Unterlagen enthaltende Datei die Vorgaben der Delegierten Verordnung (EU) 2019/815 in der zum Abschlussstichtag geltenden Fassung an die technische Spezifikation für diese Datei erfüllt.

• beurteilen wir, ob die ESEF-Unterlagen eine inhaltsgleiche XHTML-Wiedergabe des geprüften Konzernabschlusses und des geprüften Konzernlageberichts ermöglichen.

• beurteilen wir, ob die Auszeichnung der ESEF-Unterlagen mit Inline XBRL-Technologie (iXBRL) nach Maßgabe der Artikel 4 und 6 der Delegierten Verordnung (EU) 2019/815 in der zum Abschlussstichtag geltenden Fassung eine angemessene und vollständige maschinenlesbare XBRL-Kopie der XHTML-Wiedergabe ermöglicht.

Übrige Angaben gemäß Artikel 10 EU-APrVO

Wir wurden von der Hauptversammlung am 24. Mai 2023 als Konzernabschlussprüfer gewählt. Wir wurden am 11. September 2023 vom Aufsichtsrat beauftragt. Wir sind ununterbrochen seit dem Geschäftsjahr 2021 als Konzernabschlussprüfer der DFV Deutschen Familienversicherung AG, Frankfurt am Main, tätig.

Wir erklären, dass die in diesem Bestätigungsvermerk enthaltenen Prüfungsurteile mit dem zusätzlichen Bericht an den Prüfungsausschuss nach Artikel 11 EU-APrVO (Prüfungsbericht) in Einklang stehen.

SONSTIGER SACHVERHALT – VERWENDUNG DES BESTÄTIGUNGSVERMERKS

Unser Bestätigungsvermerk ist stets im Zusammenhang mit dem geprüften Konzernabschluss und dem geprüften Konzernlagebericht sowie den geprüften ESEF-Unterlagen zu lesen. Der in das ESEF-Format überführte Konzernabschluss und Konzernlagebericht – auch die in das Unternehmensregister einzustellenden Fassungen – sind lediglich elektronische Wiedergaben des geprüften Konzernabschlusses und des geprüften Konzernlageberichts und treten nicht an deren Stelle. Insbesondere ist der ESEF-Vermerk und unser darin enthaltenes Prüfungsurteil nur in Verbindung mit den in elektronischer Form bereitgestellten geprüften ESEF-Unterlagen verwendbar.

VERANTWORTLICHER WIRTSCHAFTSPRÜFER

Der für die Prüfung verantwortliche Wirtschaftsprüfer ist Rouven Schmidt.

München, den 23. April 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

gez. Rouven Schmidt	*gez. Josip Krolo*
*Wirtsc*haftsprüfer	Wirtschaftsprüfer“

20 FINANCIAL CALENDAR 2024

23 May	Quarterly report for Q1 as of 31 March 2024
26 Jun	Annual General Meeting 2024 in Frankfurt am Main
12 Sep	Quarterly report for Q2 as of 30 June 2024
21 Nov	Quarterly report for Q3 as of 30 September 2024

21 IMPRINT/CONTACT

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This group report also contains forward-looking statements which are based on the current estimates and assumptions by the corporate management of DFV Deutsche Familienversicherung AG. Forward-looking statements are characterised by the use of words such as expect, intend, plan, predict, assume, believe, estimate, anticipate and similar formulations. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and the results actually achieved by DFV Deutsche Familienversicherung AG and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside the company's control and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and others involved in the marketplace. The company neither plans nor undertakes to update any forward-looking statements.

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