



Financial results Q1 2023

DFV Deutsche Familienversicherung AG

17 Mai 2023

Welcome

Financial results Q1 2023

New group reporting from 2023

Group reporting with a new look

DFV has adopted the new standards IFRS 17 'Insurance contracts' and IFRS 9 'Financial instruments' in January 2023.

New measurement models, new presentation and extended disclosure requirements.

For conceptual guidance also refer to the information supporting DFV's 2022 group result during the conference on 30 March 2023.

DFV continues to apply HGB accounting for internal purposes, especially directed towards the aspired ability to pay dividends.

Financial results Q1 2023

+5 %

Insurance revenue
growth

+39 %

Insurance service
result

95 %

Combined ratio



Financial results Q1 2023

Insurance service result as a new performance indicator

Statement of comprehensive income

€m	Q1 2022	Q1 2023	Delta	in %	
Insurance revenue	46.4	49.0	+2.5	+5%	①
Insurance service expenses	-30.6	-31.4	-0.8	+3%	
Acquisition cost	-4.3	-5.1	-0.8	+19%	②
Other insurance expenses	-8.3	-7.2	+1.1	-13%	
Insurance service expenses	-43.1	-43.7	-0.6	+1%	
Net expenses from reinsurance contracts held	-1.6	-2.9	-1.3	+81%	③
Insurance service result	1.7	2.4	+0.7	+39%	④
<i>Claims ratio (net)</i>	68%	68%			
<i>Acquisition expense ratio (net)</i>	10%	11%			⑤
<i>Admin expense ratio (net)</i>	18%	16%			
<i>Combined ratio (net)</i>	96%	95%			

- ① New line item **insurance revenue**, also containing the unlocking of the contractual service margin (CSM) which contains future profits of the contracts (GMM and VFA).
- ② Increased volume of **amortisation acquisition cost**, reflecting acquisition cost from new business in previous periods (PAA).
- ③ Lower inflow from **reinsurers**, due to enhanced profitability of the gross business in Q1 2023 (GMM).
- ④ **IFRS 17 insurance service result**, reflecting the increased operating profit compared to Q1 2022.
- ⑤ Favourable development of **operating ratios** compared to Q1 2022 (net):
 - Stable claims ratio;
 - Increased acquisition expense ratio due to a high volume of new business inflow in previous periods;
 - Optimised admin expense ratio;
 - Slightly reduced combined ratio.

CSM: Contractual service margin, an item representing the unearned profit of a group of insurance contracts to be recognised as services are provided to policyholders
 GMM: General measurement model, the default measurement model under IFRS 17 for long-term non-participating business
 PAA: Premium allocation approach, the optional, simplified measurement model under IFRS 17 for short-term business
 VFA: Variable fee approach, the compulsory measurement model under IFRS 17 for long-term participating business
 Adoption of IFRS 17/9 in both reporting periods; simplified

Combined ratio looks different under IFRS 17

$$= 1 - \left(\frac{\text{Insurance service result}}{\text{Insurance revenue} - \text{Net expenses from reinsurance contracts held}} \right)$$

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Volatile IFRS 9 net financial result – 2023 profit guidance is confirmed

Statement of comprehensive income

€m	Q1 2022	Q1 2023	Delta	in %
Insurance service result	1.7	2.4	+0.7	+39%
Net investment income	5.0	0.6	-4.3	
Net insurance finance expenses	-3.5	-0.4	+3.1	
Net financial result	1.5	0.3	-1.2	-82%
Net insurance and investment result	3.2	2.7	-0.5	-17%
Other result	-0.8	-0.8	+0.0	
Profit before tax	2.3	1.8	-0.5	-22%

1 Volatility of the net financial result:
Unrealised fair value reductions in the investment portfolio which, under IFRS 9, are recognised in profit or loss.

- The decrease of the net financial result compared to Q1 2022 results **entirely** from unrealised fair value changes.
- Such amounts recognised refer to the 'Freies Vermögen' portfolio (not: customer funds allocated to the 'Sicherungsvermögen' portfolio).
- Current revenue remains stable.

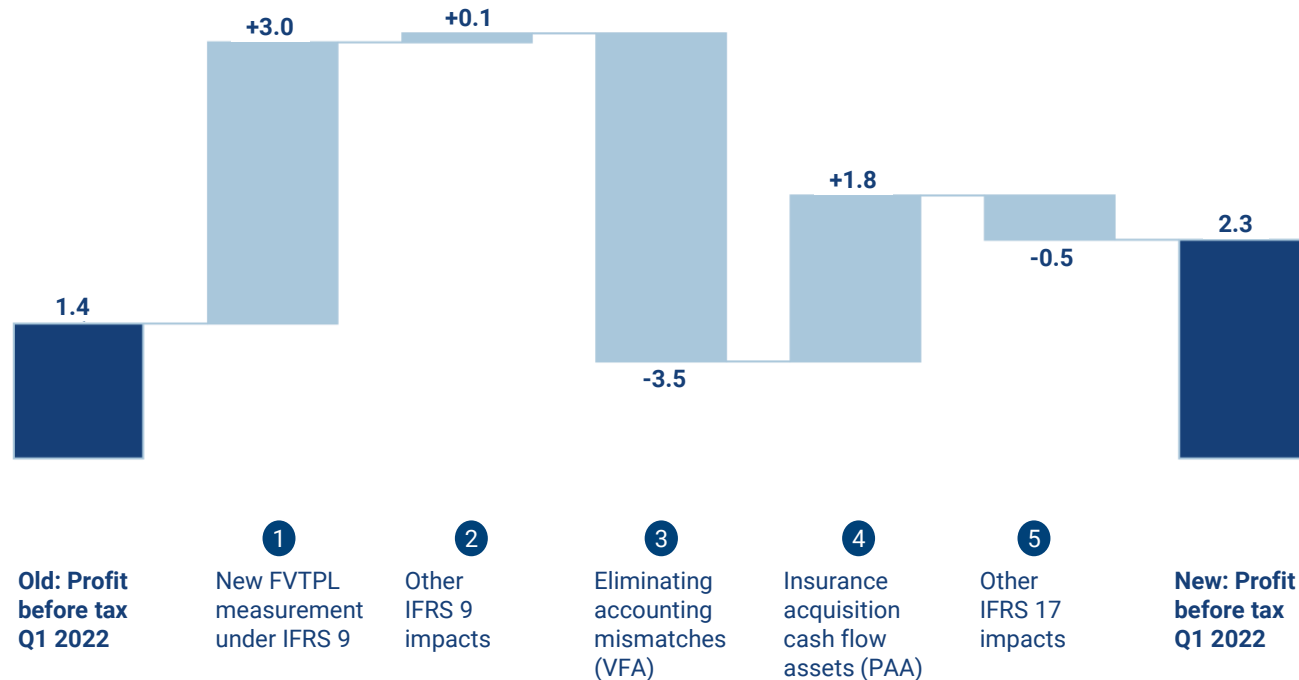
2 Despite the volatile net financial result, DFV records a positive profit before tax – the **2023 profit guidance** of 3 to 5 million € is confirmed.

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Impacts from the IFRS transition

Bridge Q1 2022 – IFRS 4/IAS 39 to IFRS 17/9

(Profit or loss impact net in €m)



- 1 IFRS 9: Unrealised fair value gains of assets designated at FVTPL.
- 2 IFRS 9: Other changes resulting from the transition from IAS 39 to IFRS 9.
- 3 IFRS 17: Netting off fair value changes in the 'Sicherungsvermögen' portfolio (VFA).
- 4 IFRS 17: Recognising/amortising the insurance acquisition cash flow assets (PAA).
- 5 IFRS 17: Other changes resulting from transition from IFRS 4 to IFRS 17.

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Reporting segments – operational indicators based on HGB

Net earned premiums HGB

(in €m)



Health segment

Net earned premiums HGB

(in €m)



Property-Casualty segment

Net earned premiums HGB

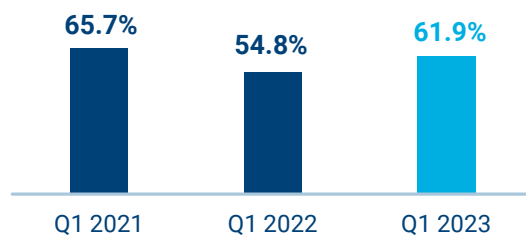
(in €m)



Inwards reinsurance segment

Claims ratio HGB

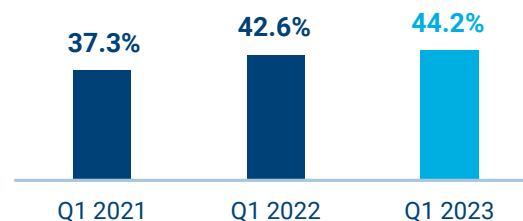
(net before allocation to actuarial reserve)



Health segment

Claims ratio HGB

(net)



Property-Casualty segment

Claims ratio HGB

(net)



Inwards reinsurance segment

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Key messages

- 1** DFV's transition towards a sustainable, profitable business remains on track
- 2** Excellent Q1 2023 with operating performance up 39 % – continued discipline on pricing
- 3** Volatile IFRS 9 net financial result – the 3 to 5 million € profit guidance for 2023 is confirmed

DFV remains exciting

Our next IR appointments

24 Mai

Annual General Meeting

14 June

Berenberg Insurance Speed Dating

04 September

Equity Forum Autumn conference

14 September

Publication financial results H1 2023 & CMD 2023

