The leading European InsurTech

DFV Deutsche Familienversicherung AG

Half-yearly financial report 2019

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Ladies and Gentlemen,

Deutsche Familienversicherung was able to continue its success story in the first half of 2019: for all targets it has set itself, Deutsche Familienversicherung is on schedule to achieve its objectives. The growth of Deutsche Familienversicherung is not only uninterrupted – but it has accelerated significantly compared to the previous year.

With the successful IPO of Deutsche Familienversicherung on 4 December 2018, the company managed to strengthen its equity base by 51.5 million euros. This enabled Deutsche Familienversicherung to invest additional funds in new business, which is growing dynamically. In light of this, the 2018 target with 50,000 new policies – a target which was slightly exceeded by the end of 2018 – has been doubled for the current year. The target for 2019 is thus the acquisition of 100,000 new policies, which corresponds to approximately the same number of new customers.

As of the end of both the first quarter as well as the first half-year of 2019, the pro rata temporis target of 50 per cent (by number) was achieved, and even exceeded in terms of premiums.

Another objective was to increase the share in new business made up by property insurance from 3 per cent in the previous year to 10 per cent. In particular the modernisation of existing property insurance products and the introduction of pet health insurance products made contributions in this regard. Since May 2019, pet health insurance policies have been successfully marketed via the DRTV sales channel and have already contributed to growth in the first half of 2019.

In addition to the ongoing advancement of digitisation, outsourcing of the IT infrastructure is also in the spotlight for 2019. The groundwork required has already been completed and the realisation began in the first half of the year, and the multistage process is expected to continue on into 2020.

Capital investment at the company has undergone foundational restructuring so that the revenue targets can once again be realised following losses in the previous year. You can find additional information about this in the consolidated management report and the notes.

In the second half of 2019, our focus will be on keeping the company on its successful course and continuing the well-above-average growth, carrying out a selective expansion of the product family and further improving our customer service.

Overall, Deutsche Familienversicherung is on its way to achieving all its objectives and – as an insurance company fit for the digital age – is continuing its success story as the sole operational insurance technology company in Germany.

Warm regards,

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

Frankfurt, 13 September 2019

CONSOLIDATED MANAGEMENT REPORT

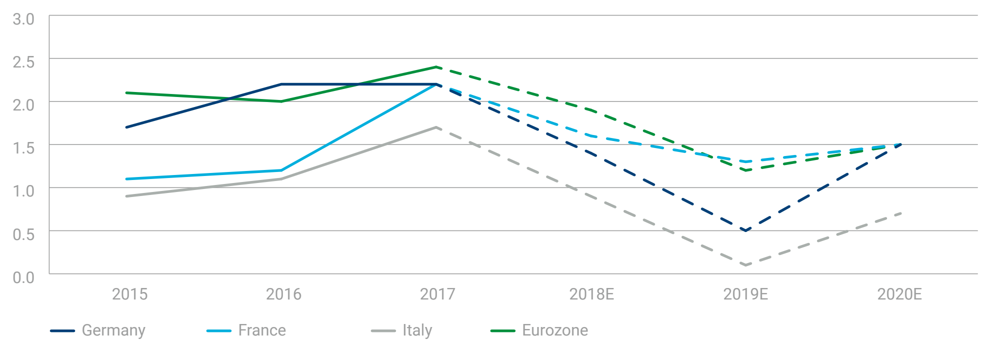
CONSOLIDATED MANAGEMENT REPORT

1 ECONOMIC ENVIRONMENT AND SECTOR DEVELOPMENT

In the first half of 2019, the economic environment was characterised by a slowdown in economic growth – or rather growth forecasts – stagnating or even deflating inflation data as well as continued major political uncertainty.

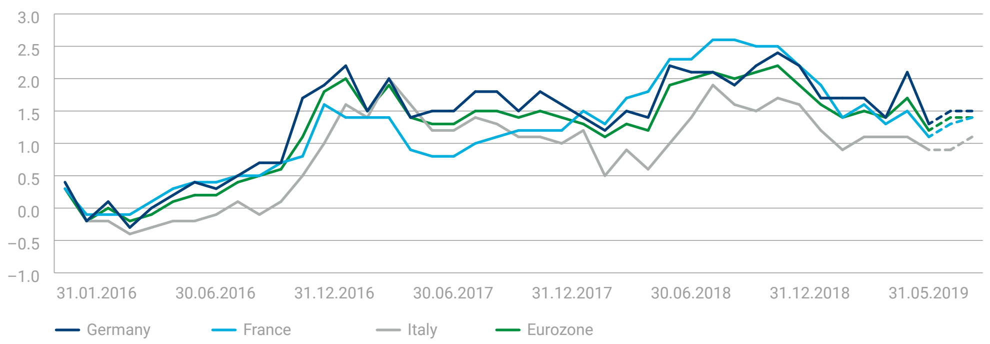
In its most recent forecast, the European Commission predicts growth in GDP within the eurozone of 1.2 per cent, which puts the expectation 0.7 percentage points below the forecast from February of this year. For Germany, the commission lowered its growth forecast from 1.1 to now only 0.5 per cent. Economic growth in the eurozone is supported primarily by domestic demand, whereas the continued political uncertainty and the resurgence of global trade obstacles are weighing on the German economy, which is traditionally export-heavy.

GROSS DOMESTIC PRODUCT IN PER CENT



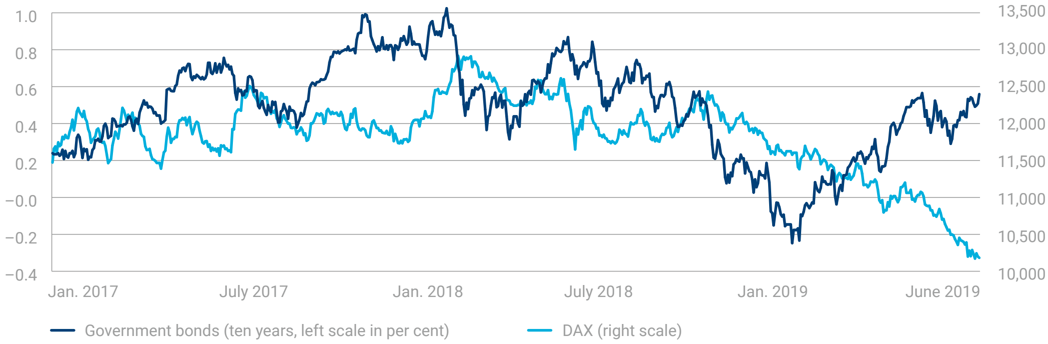
Inflation remains at a persistently low level. At 1.3 per cent in June, inflation in the eurozone was well below the level targeted by the European Central Bank of 2.0 per cent. At 1.1 per cent, core inflation as well – i.e. inflation adjusted for energy and food prices – remained at a very low level and even decreased compared to the level of the previous year.

DEVELOPMENT OF INFLATION IN PER CENT



In light of shrinking growth forecasts and sinking inflation expectations, interest rates dropped significantly during the first half of 2019. As a result, the market values of bonds in circulation and the stock markets made sharp gains after having reached their low marks at the end of 2018. In June, the Governing Council of the European Central Bank made it clear that the current prime interest rates would not change until at least the middle of 2020. Additionally, the Governing Council decided – for an indefinite period and even after the time when prime interest rates increase – to use maturing funds for the purchase of new bonds. This expectation – in combination with signals of rapprochement with regard to trade relations, most recently at the G20 summit in Japan – led to new lows for secure investments coupled with considerable rises in stock prices. The yield of ten-year German government bonds therefore sank to –0.33 per cent at the end of the first half-year, despite still having been positive at 0.24 per cent at the end of 2018.

TEN-YEAR GERMAN GOVERNMENT BONDS/DAX



While dropping interest rates had a positive effect on the market values of bond portfolios of insurance companies, the pressure on companies to improve margins increased. Maintaining the long-term ability to meet obligations to insurance companies is more dependent than ever on the company's ability to operate profitably in its core business.

2 DEVELOPMENT OF THE COURSE OF BUSINESS

On the whole, the course of business can be characterised as extremely pleasing. In spite of the goal for the 2019 financial year of doubling the budget figures from 2018, signs point to all objectives being achieved. Irrespective of this, Deutsche Familienversicherung is continuing its development process with great enthusiasm with regard to the further structuring of the product portfolio, the optimisation of internal processes, digitisation, customer service and capital investment.

2.1 Development of the stock price

Our stock price has dropped slightly since the IPO in December 2018. However, if you compare the development with other companies that also had an IPO around the same time, the stock price for Deutsche Familienversicherung has done well overall.

2.2 Development of new business

Over the course of the first half-year, we managed to continue the successful beginning to 2019 with regard to sales. As of 30 June 2019, new business had increased from 17,590 new contracts to 49,105 new contracts (+179.2 per cent) and premiums had increased from 6.536 million euros to 16.360 million euros (+150.3 per cent). We are therefore on schedule for new business, both with regard to new policies as well as new premiums.

The most productive sales channel was once again our online business, with a share of 65.5 per cent, followed by our partnership business with 21.8 per cent. A total of 12.7 per cent is attributable to direct insurance business and business with brokers.

2.3 Development of the product portfolio

We continued the revision of our property insurance products, in particular with the revision of our personal liability insurance. The revision of our legal defence insurance and our combination products will be carried out in the third quarter of 2019.

We successfully introduced our health insurance for pets on 15 May 2019 and, as of 30 June of this year, had already issued 1,000 policies. We are extremely pleased with this very successful introduction of a new product. The introduction of pet health insurance and the revision of our property insurance products are important components in increasing the share of property insurance in our new business.

For the fourth consecutive time, our supplementary dental insurance was honoured as the test winner by Stiftung Warentest in May 2019. Being recognised once again demonstrates in impressive fashion that we are experts in supplementary health insurance.

2.4 Outsourcing of infrastructure

Two significant decisions for the successful expansion of the digital insurance platform of Deutsche Familienversicherung were made at the beginning of 2019: the capability of marketing the insurance platform to third parties as well as the outsourcing of the IT infrastructure and the associated focus on application development for the development of the platform.

The contract for outsourcing the IT infrastructure was signed already in the first half-year and the project was initiated successfully. We are thus always in a position to reflect the realised above-average growth of Deutsche Familienversicherung over the long term and to account for the increasing regulatory requirements. Expansion of the already-high security standards of Deutsche Familienversicherung also comes with this step, because the level of recognition of Deutsche Familienversicherung is constantly growing due to its media presence.

2.5 Advancement of digitisation

The digitisation of Deutsche Familienversicherung is one of the core elements of the company. Although Deutsche Familienversicherung serves as a pioneer in this regard, not all processes have been fully digitised, especially with regard to claims. On the one hand, this is partly due to the still-incomplete technical possibilities, such as the performance level of artificial intelligence. On the other hand, considerable progress has been made through digitisation, especially with regard to customer service.

Some 98 per cent of all new customers actively use the customer portal of Deutsche Familienversicherung. To improve communication with customers, a messenger was developed in the first half of the year and integrated into the portal. This messenger enables our customers to communicate with us easily, conveniently and in accordance with the General Data Protection Regulation (GDPR). Thus we are able to quickly and simply answer all the questions our customers have.

3 BUSINESS DEVELOPMENT

3.1 Underwriting income

In the first half of 2019, gross premiums increased by 38.6 per cent compared to the previous year – from 30,190,200 to 41,845,700 euros. Supplementary health insurance and the partnership with Henkel – which entered into effect on 1 January – in the field of supplementary long-term care insurance once again contributed to this growth. Furthermore, the successful entry into pet health insurance business in May 2019 is an important step for Deutsche Familienversicherung in the expansion of its portfolio of property insurance products and offers the company additional growth opportunities.

The significant increase in new business is accompanied by the scheduled increase in sales expenses; the increase in premiums was offset by a nearly identical increase in sales-related spending. Deutsche Familienversicherung is also on schedule in this regard as well.

Ceded reinsurance premiums increased compared to the same period in the previous year by 2,823,100 euros, whereby the scheduled repayment of reinsurance cessions was offset by higher premiums in connection with the significant increase in supplementary long-term care business.

Underwriting income therefore developed within the scope of our expectations in the first half of 2019, closing with a loss of 2,961,000 euros (first half 2018: profit of 1,890,000 euros). The reasons for the underwriting loss were significantly higher sales expenses compared to the previous year in connection with the increase in new business.

3.2 Capital investment

Stock markets reached their low points for the year at the end of 2018. At the same time, interest rates increased throughout the year, which meant that investors struggled with sinking market values with regard to both stocks and bonds.

While the increase in interest rates was the direct result of the announced end of bond buying by the European Central Bank, worries of investors about recessive tendencies together with political risks as well as continued disputes with regard to worldwide trade relationships led to the German and European stock markets reaching their lowest levels as of the end of the year.

Stock markets made a significant recovery over the course of the first half-year, with the DAX achieving growth of 17.4 per cent in the first six months after having dropped by some 18 per cent over the course of 2018. On the other hand, interest rates fell in light of declining inflation data and the expectation of market participants that the European Central Bank would loosen its monetary policy once again. At the end of 2018, yields for ten-year German government bonds were at 0.24 per cent and dropped to –0.33 per cent by the end of the first half of 2019.

Deutsche Familienversicherung made use of the market development to realise the planned restructuring of its capital investments, which involved the sale of stock and bond portfolios. Deutsche Familienversicherung thus realised profits of 908,000 euros (previous year: loss of 2,656,000 euros). Ordinary revenue of 438,000 euros (previous year: 522,000 euros) was within expectations.

3.3 Half-yearly income

In line with expectations, Deutsche Familienversicherung closes the first half of 2019 with a loss of 3,595,000 euros (first half of 2018: profit of 163,000 euros). After offsetting taxes, the after tax loss for the first half of 2019 amounted to 2,756,000 euros (previous year: profit of 12,000 euros).

Sales expenses, which increased significantly compared to the previous year, as well as higher expenses for the company as a whole were countered by vastly improved capital investment income.

3.4 Cash flow and liquidity

Deutsche Familienversicherung recorded positive cash flow from operating activities in the first half of 2019 as well. In the first six months of the 2019 financial year, current cash inflows from insurance business amounted to 17,837,000 euros (previous year: 6,625,000 euros).

Cash flow from operating activities was used for the expansion of the capital investment portfolio. In light of the changing framework conditions on capital markets, the timing of individual investment decisions is critical, so Deutsche Familienversicherung gives priority to temporarily building up a higher level of liquidity over the hurried allocation of capital.

3.5 Opportunities and risk report

3.5.1 Introduction and description of the risk structure

In its annual report for 2018, Deutsche Familienversicherung reported in detail on its opportunities and risks. The presentation and evaluation of the opportunity and risk situation of Deutsche Familienversicherung remain applicable without change.

The purpose of the company is insurance business, an activity that, by nature, is associated with risk. It is therefore important to take risks in a targeted manner based on the existing ability to bear risks, insofar as the opportunities associated with this allow for the expectation of sufficient added value. Risk management at Deutsche Familienversicherung aims to identify product and contractual risks early on, to monitor them and, ultimately, to manage them in a systematic manner. Active risk management is carried out by the executives and managers. Department heads routinely report to the member of the Executive Board responsible for their department, or the Executive Board as a whole, about the current course of business, including from a risk perspective.

The risk strategy of Deutsche Familienversicherung also includes the transfer of risk to solvent reinsurance companies with very good credit ratings by means of pro rata risk assumption and flexibly expandable cover for major losses and natural catastrophes, as well as annually adjusted insurance cover for loss of revenue or business interruptions, public liability, cyber risks and commercial buildings and inventory.

The entire Executive Board and the Supervisory Board are informed on a rotating basis about the quarterly solvency figures. The solvency ratio of Deutsche Familienversicherung was well above the legal requirements in the first half of 2019.

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 overall risk of Deutsche Familienversicherung can be divided into the following risk categories:
- Underwriting opportunities and risks
- Risks from the default of receivables from insurance business
- Opportunities and risks from capital investments, in particular market risks
- Operational risks
- Liquidity risks
- Reputation risks
- Strategic opportunities and risks

With its successful IPO on carried out on 4 December 2018, Deutsche Familienversicherung laid the foundation for its further growth. Deutsche Familienversicherung had additional capital inflows in the amount of 6,092,000 euros in the first half of 2019 in connection with the execution of the overallotment ('greenshoe') option.

3.5.2 Summary of the risk situation

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.

3.6 Forecast report

Deutsche Familienversicherung will continue its growth course in the second half of 2019 as well reaffirms its target of 100,000 new policies. On the basis of the present half-yearly figures and the expectations for the remainder of the year, Deutsche Familienversicherung still expects a pre-tax loss of between 9 and 11 million euros for 2019 as a whole.

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET AS OF 30 JUNE 2019

ASSETS

In EUR	30.06.2019	30.06.2018	31.12.2018
A. Intangible assets			
I. Goodwill	0	0	0
II. Other intangible assets	8,868,203	9,321,193	9,204,617
Total A.	**8,868,203**	**9,321,193**	**9,204,617**
B. Capital investments			
I. Loans receivable	0	0	0
II. Financial investments held for sale	106,516,897	55,104,861	90,053,043
III. Financial investments measured at fair value through profit or loss	0	0	0
IV. Other capital investments	0	0	0
Total B.	**106,516,897**	**55,104,861**	**90,053,043**
C. Receivables			
I. Receivables from direct insurance business			
1. From policyholders	741,904	553,068	538,022
2. From insurance brokers	13,244	154,102	183,906
	755,148	707,170	721,928
3. Other receivables	1,506,608	3,073,739	4,199,093
Total C.	**2,261,756**	**3,780,909**	**4,921,021**
D. Current bank balances	**15,999,911**	**5,022,142**	**9,033,485**
E. Share of reinsurers in underwriting provisions			
I. Unearned premiums	537,950	643,308	558,144
II. Actuarial provisions	35,489,249	26,727,252	30,487,674
III. Provisions for outstanding claims	2,848,058	4,509,079	3,970,737
IV. Other underwriting provisions	9,766	1,813	1,903
Total E.	**38,885,023**	**31,881,452**	**35,018,458**
F. Tax receivables			
I. From current taxes	0	0	0
II. From deferred taxes	2,563,714	339,421	2,010,171
Total F.	**2,563,714**	**339,421**	**2,010,171**
G. Other assets	**2,478,990**	**2,911,396**	**5,074,447**
Total assets	**177,574,494**	**108,361,375**	**155,315,242**

LIABILITIES

In EUR	30.06.2019	30.06.2018	31.12.2018
A. Equity			
I. Share capital	26,523,240	34,110,000	25,507,750
II. Capital reserves	44,852,139	3,893,859	39,774,689
III. Retained earnings	−2,870,904	−17,853,930	467,435
IV. Other reserves	0		
1. Unrealised gains and losses	1,621,106	−821,553	−770,357
2. Expenses for the procurement of equity	−2,603,404	0	−2,472,601
3. Reserve from currency conversion	0	0	0
Total IV.	**−982,299**	**−821,553**	**−3,242,958**
V. Consolidated net income for the year attributable to the shareholders of the parent company	−2,755,693	12,886	−3,338,339
Total A.	**64,766,483**	**19,341,262**	**59,168,577**
B. Gross underwriting provisions			
I. Unearned premiums	2,570,586	2,646,174	2,537,001
II. Actuarial provisions	48,372,736	37,517,796	42,570,283
III. Provisions for outstanding claims	11,875,378	10,350,284	10,268,949
IV. Other underwriting provisions	529,680	833,182	867,942
Total B.	**63,348,379**	**51,347,436**	**56,244,175**
C. Other provisions	**2,377,803**	**625,929**	**871,556**
D. Liabilities			
I. Liabilities from direct insurance business			
1. To policyholders	367,997	199,451	195,886
2. To insurance brokers	993,436	3,123,905	1,416,530
	1,361,434	**3,323,356**	**1,612,417**
3. Other liabilities	43,926,831	32,535,584	36,255,074
Total D.	**45,288,265**	**35,858,940**	**37,867,491**
E. Tax liabilities			
I. From current taxes	197,670	348,414	197,820
II. From deferred taxes	1,595,893	839,393	965,622
Total E.	**1,793,563**	**1,187,807**	**1,163,442**
Total liabilities	**177,574,494**	**108,361,375**	**155,315,242**

STATEMENT OF COMPREHENSIVE INCOME

In EUR	First half 2019	First half 2018	2018
I. Income statement (with effect on income)			
1. Written premiums			
a) Gross	41,845,687	30,190,217	66,522,190
b) Share of reinsurers	16,115,974	13,292,929	30,814,588
	25,729,713	**16,897,288**	**35,707,603**
2. Change in unearned premiums			
a) Gross	33,585	−1,691,852	−1,801,024
b) Share of reinsurers	−20,194	−1,363,503	−1,448,667
	53,779	**−328,349**	**−352,357**
3. Net earned premiums	**25,675,934**	**17,225,637**	**36,059,960**
4. Income from capital investments	**1,214,821**	**−644,563**	**−2,344,840**
Of which: Income from associates	0	0	0
5. Other revenue	**74,825**	**76,250**	**1,027,729**
Total revenue	**26,965,580**	**16,657,324**	**34,742,848**
6. Claim payments to customers			
a) Gross	23,631,764	18,974,773	38,636,560
b) Share of reinsurers	8,087,605	8,883,780	18,429,581
	15,544,158	**10,090,993**	**20,206,979**
7. Expenses for insurance operations			
a) Gross	22,845,663	10,999,758	29,024,219
b) Share of reinsurers	9,753,691	5,755,724	14,487,040
	13,091,972	**5,244,034**	**14,537,179**
8. Other expenses	**1,924,405**	**1,158,797**	**4,103,110**
Total expenses	**30,560,535**	**16,493,823**	**38,847,267**
9. Operating income	**−3,594,955**	**163,501**	**−4,104,419**
10. Financing expenses	**0**	**0**	**0**
11. Annual profit before taxes	**−3,594,955**	**163,501**	**−4,104,419**
12. Income taxes	**−839,262**	**150,615**	**−766,080**
13. Annual income	**−2,755,693**	**12,886**	**−3,338,339**
Of which attributable to shareholders in the parent company	−2,755,693	12,886	−3,338,339
Of which attributable to minority interests	0	0	0
Earnings per share	**−0.21**	**n/a**	**−0.36**
II. Other income (no effect on profit or loss)			
14. Unrealised gains and losses from capital investments	**2,391,463**	**−122,478**	**−71,282**
15. Expenses for the procurement of equity	**−130,804**	**0**	**−2,472,601**
16. Currency conversion	**0**	**0**	**0**
17. Other income	**2,260,659**	**−122,478**	**−2,543,883**
III. Total comprehensive income	**−495,034**	**−109,592**	**−5,882,221**
Of which attributable to shareholders in the parent company	−495,034	−109,592	−5,882,221
Of which attributable to minority interests	0	0	0

DEVELOPMENT OF CONSOLIDATED EQUITY

In EUR thousand	Subscribed capital	Capital reserve	Retained earnings	Reserve from currency conversion	Reserve for unrealised gains and losses	Expenses for the procurement of equity	Consolidated equity
As of 31 December 2016	**34,110**	**3,894**	**−19,335**	**0**	**−152**	**0**	**18,517**
Change to the scope of consolidation	0	0	0	0	0	0	0
Gains and losses recognised directly in equity	0	0	0	0	−547	0	−547
Consolidated income	0	0	1,481	0	0	0	1,481
Consolidated comprehensive income	**0**	**0**	**1,481**	**0**	**−547**	**0**	**934**
Dividends paid	0	0	0	0	0	0	0
Capital increase	0	0	0	0	0	0	0
As of 31 December 2017	**34,110**	**3,894**	**−17,854**	**0**	**−699**	**0**	**19,451**
Change to the scope of consolidation	0	0	0	0	0	0	0
Gains and losses recognised directly in equity	0	0	0	0	−71	−2,473	−2,544
Consolidated income	0	0	−3,339	0	0	0	−3,339
Consolidated comprehensive income	**0**	**0**	**−3,339**	**0**	**−71**	**−2,473**	**−5,883**
Dividends paid	0	0	0	0	0	0	0
Capital decrease	16,202	2,119	−18,321	0	0	0	0
Capital increase	7,600	38,000	0	0	0	0	45,600
As of 31 December 2018	**25,508**	**39,775**	**−2,872**	**0**	**−770**	**−2,473**	**59,168**
Change to the scope of consolidation	0	0	0	0	0	0	0
Gains and losses recognised directly in equity	0	0	0	0	2,391	−130	2,261
Consolidated income	0	0	−2,195	0	0	0	−2,195
Consolidated comprehensive income	**0**	**0**	**−2,756**	**0**	**2,391**	**−130**	**−495**
Dividends paid	0	0	0	0	0	0	0
Capital decrease	0	0	0	0	0	0	0
Capital increase	1,015	5,077	0	0	0	0	6,092
As of 30 June 2019	**26,523**	**44,852**	**−5,627**	**0**	**1,621**	**−2,603**	**64,766**

STATEMENT OF CASH FLOW

EUR	First half 2019	First half 2018	2018
1. Income for the period before extraordinary items	−2,755,693	12,806	−3,338,339
2. Change in net underwriting provisions	3,237,639	2,067,405	3,827,138
3. Change in deposit receivables and liabilities as well as accounts receivable and payable	8,933,992	2,478,940	6,108,033
4. Change in other receivables and liabilities	1,146,048	5,487,130	2,726,476
5. Gains and losses from the disposal of capital investments	0	0	2,044,651
6. Change in other balance sheet items	6,361,006	−1,494,868	−7,714,578
7. Other expenses and revenue recognised through profit or loss	914,535	707,713	2,972,252
I. Cash flow from operating activities	**17,837,527**	**9,259,127**	**6,625,633**
9. Incoming payments for the sale and maturity of other capital investments	0	0	−144,772
10. Outgoing payments for the acquisition of other capital investments	−16,463,853	−8,972,237	−46,714,732
11. Other payments received	−38,201	−165,777	−321,607
12. Other outgoing payments	−461,987	−609,314	−1,521,246
II. Cash flow from investing activities	**−16,924,041**	**−9,747,328**	**−48,702,357**
13. Incoming payments from additions to equity	6,092,940	0	45,599,866
III. Cash flow from financing activities	**6,092,940**	**0**	**45,599,866**
Change in funds for financing purposes	6,966,426	−488,201	3,523,143
Funds for financing purposes at the beginning of the period	9,033,485	5,510,342	5,510,342
Funds for financing purposes at the end of the period	**15,999,911**	**5,022,141**	**9,033,485**

SEGMENT REPORTING

BALANCE SHEET

	Supplementary health		Damage/accident	
In EUR	First half 2019	2018	First half 2019	2018
A. Intangible assets				
I. Goodwill	–	–	–	–
II. Other intangible assets	7,757,606	7,941,940	1,101,850	1,251,986
Total A.	**7,757,606**	**7,941,940**	**1,101,850**	**1,251,986**
	515,551			
B. Capital investments				
I. Loans receivable	–	–	–	–
II. Financial investments held for sale	101,095,932	84,809,794	5,630,965	5,453,249
III. Financial investments measured at fair value through profit or loss	–	–	–	–
IV. Other capital investments	–	–	–	–
Total B.	**101,095,932**	**84,809,794**	**5,630,965**	**5,453,249**
C. Receivables				
I. Receivables from direct insurance business				
1. From policyholders	562,605	242,064	179,300	295,958
2. From insurance brokers	9,598	174,007	925	7,177
	572,202	**416,072**	**180,225**	**303,135**
3. Other receivables	2,564,042	3,567,109	181,201	667,322
Total C.	**3,136,244**	**3,983,180**	**361,426**	**970,458**
D. Share of reinsurers in underwriting provisions				
I. Unearned premiums	325,447	347,950	212,503	210,194
II. Actuarial provisions	35,489,249	30,487,674	–	–
III. Provisions for outstanding claims	1,446,450	2,341,359	1,401,608	1,629,378
IV. Other underwriting provisions	9,766	1,810	–	92
Total D.	**37,270,912**	**33,178,794**	**1,614,111**	**1,839,663**
E. Other segment assets	**17,052,089**	**11,955,408**	**1,837,512**	**2,238,714**
Total segment assets	**166,312,783**	**141,869,117**	**10,545,864**	**11,754,070**

	Other		Consolidation		Total	
	First half 2019	2018	First half 2019	2018	First half 2019	2018
	–	–	–	–	–	–
	8,746	10,690	–	–	8,868,203	9,204,617
	8,746	**10,690**	**–**	**–**	**8,868,203**	**9,204,617**
	–	–	–	–	–	–
	–	–	−210,000	−210,000	106,516,897	90,053,043
	–	–	–	–	–	–
	–	–	–	–	–	–
	–	**–**	**−210,000**	**−210,000**	**106,516,897**	**90,053,043**
	–	–	–	–	741,904	538,022
	2,721	2,721	–	–	13,244	183,906
	2,721	**2,721**	**–**	**–**	**755,148**	**721,928**
	1,769,144	1,074,023	−3,007,779	−1,109,361	1,506,608	4,199,093
	1,771,865	**1,076,744**	**−3,007,779**	**−1,109,361**	**2,261,756**	**4,921,021**
	–	–	–	–	537,950	558,144
	–	–	–	–	35,489,249	30,487,674
	–	–	–	–	2,848,058	3,970,737
	–	–	–	–	9,766	1,902
	–	**–**	**–**	**–**	**38,885,023**	**35,018,457**
	2,153,015	**1,923,981**	**–**	**–**	**21,042,616**	**16,118,103**
	3,933,626	**3,011,415**	**−3,217,779**	**−1,319,361**	**177,574,494**	**155,315,241**

In EUR	Supplementary health First half 2019	Supplementary health 2018	Damage/accident First half 2019	Damage/accident 2018
A. Gross underwriting provisions				
I. Unearned premiums	1,479,660	1,306,203	1,090,926	1,230,799
II. Actuarial provisions	48,372,736	42,570,283	–	–
III. Provisions for outstanding claims	7,139,650	5,567,598	4,735,718	4,701,351
IV. Other underwriting provisions	515,551	865,134	14,139	2,808
Total A.	**57,507,597**	**50,309,218**	**5,840,783**	**5,934,957**
B. Other provisions	**1,005,419**	**457,663**	**74,076**	**97,890**
C. Other segment liabilities	**46,673,651**	**36,490,482**	**933,339**	**1,161,597**
Total segment liabilities	**105,186,667**	**87,257,363**	**6,848,198**	**7,194,445**

INCOME STATEMENT

In EUR	Supplementary health First half 2019	Supplementary health 2018	Damage/accident First half 2019	Damage/accident 2018
1. Written premiums from insurance business	39,116,368	61,951,559	2,729,318	4,570,631
2. Net earned premiums	23,185,073	30,480,813	2,490,862	5,579,147
3. Income from capital investments	983,925	−1,793,252	105,707	−231,514
4. Other revenue	58,304	432,702	6,264	79,201
Total revenue	**24,227,302**	**29,120,263**	**2,602,832**	**5,426,834**
5. Claim payments to customers	14,503,693	17,927,804	1,040,466	2,279,175
6. Expenses for insurance operations	12,680,835	13,277,710	880,372	1,271,052
7. Other expenses	1,183,503	3,392,220	82,165	511,706
Total expenses	**28,368,031**	**34,597,734**	**2,003,003**	**4,061,933**
8. Operating income	−4,140,729	−5,477,471	599,829	1,364,901
9. Financing expenses	–	–	–	–
10. Annual profit before taxes	−4,140,729	−5,477,471	599,829	1,364,901
11. Income taxes	−981,950	−1,022,854	142,246	254,879
12. Annual income	−3,158,779	−4,454,617	457,583	1,110,021

ADDITIONAL INFORMATION

In EUR	Supplementary health First half 2019	Supplementary health 2018	Damage/accident First half 2019	Damage/accident 2018
Interest revenue	1,680	4,650	180	851
Interest expenses	352,156	506,109	37,833	92,637
Scheduled depreciation and amortisation	824,060	1,554,868	88,532	284,600
Significant non-cash revenue (+) and expenses (−)*	–	−2,106,269	–	−272,467

* Excluding scheduled depreciation and amortisation.

	Other		Consolidation		Total	
	First half 2019	2018	First half 2019	2018	First half 2019	2018
	–	–	–	–	2,570,586	2,537,001
	–	–	–	–	48,372,736	42,570,283
	–	–	–	–	11,875,368	10,268,949
					529,690	867,942
	–	**–**	**–**	**–**	**63,348,380**	**56,244,175**
	1,298,308	**316,003**	**–**	**–**	**2,377,803**	**871,556**
	2,482,617	**2,488,213**	**−3,007,779**	**−1,109,361**	**47,081,828**	**39,030,932**
	3,780,925	**2,804,217**	**−3,007,779**	**−1,109,361**	**112,808,011**	**96,146,664**

	Other		Consolidation		Total	
	First half 2019	2018	First half 2019	2018	First half 2019	2018
	–	–	–	–	41,845,687	66,522,190
	–	–	–	–	25,675,934	36,059,960
	125,189	–	–	−320,074	1,214,821	−2,344,840
	12,800,431	15,023,030	−12,790,174	−14,507,203	74,825	1,027,729
	12,925,620	**15,023,030**	**−12,790,174**	**−14,827,278**	**26,965,580**	**34,742,848**
	–	–	–	–	15,544,158	20,206,979
	12,320,938	13,493,919	−12,790,174	−13,505,503	13,091,972	14,537,179
	658,737	1,520,959	–	−1,321,775	1,924,405	4,103,110
	12,979,675	**15,014,878**	**−12,790,174**	**−14,827,278**	**30,560,535**	**38,847,267**
	−54,055	8,152	–	–	−3,594,955	−4,104,419
	–	–	–	–	–	–
	−54,055	8,152	–	–	−3,594,955	−4,104,419
	442	1,894			−839,262	−766,080
	−54,498	6,257	–	–	−2,755,693	−3,338,339

	Other		Consolidation		Total	
	First half 2019	2018	First half 2019	2018	First half 2019	2018
	–	–	–	–	1,860	5,501
	–	–	–	–	389,989	598,746
	–	–	–	–	912,591	1,839,469
	–	–	–	–	–	−2,378,735

CONSOLIDATED NOTES

1 GENERAL INFORMATION

1.1 Bases of the report

The condensed consolidated interim financial statements of the DFV Group are presented in accordance with IAS 34 and were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

For existing and unchanged IFRS, the accounting, valuation, consolidation and disclosure principles applied to prepare the condensed consolidated interim financial statements are consistent with those applied to prepare the consolidated financial statements for the 2018 financial year. The condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements of the DFV Group for the 2018 financial year.

Uniform accounting and valuation methods were applied to the reporting and comparative periods, unless prospective method changes were expressly permitted for the year under review. The consolidated financial statements were prepared under the assumption of a going concern. The reporting currency is the euro. The consolidated financial statements are presented in whole euros, which could result in rounding differences.

As part of the IPO, Deutsche Familienversicherung prepared pro forma consolidated financial statements in accordance with IFRS for the 2017 financial year, for which WEDDING & Cie. GmbH Wirtschaftsprüfungsgesellschaft issued an unqualified audit opinion. The accounting and valuation methods of these pro forma consolidated financial statements correspond to those of the consolidated financial statements for the 2018 financial year. To this extent, the previous-year figures presented in the consolidated financial statements for the 2018 financial year refer to these pro forma financial statements.

IFRS 4 (Insurance Contracts), which is currently still applicable for insurance companies, permits the accounting and valuation of underwriting items during a transitional phase, phase I, in accordance with IFRS 4.13, in principle in accordance with the accounting rules applied prior to the introduction of IFRS. Accordingly, DFV Deutsche Familienversicherung AG, in accordance with IFRS 4.25, has applied the national accounting standards applicable to insurance contracts under the German Commercial Code (HGB) and other additional national accounting standards for insurance companies.

The present condensed consolidated interim financial statements of the DFV Group were approved by resolution of the Executive Board on 26 August 2019.

1.2 Recently adopted accounting standards (first-time adoption as of 1 January 2019)

IFRS 9 – Financial Instruments

These amendments were published in October 2017 and take into account the classification requirements of IFRS 9 for financial assets with negative settlement payments in the event of early repayment. According to the clarification, such assets meet the cash flow conditions. Subject to the EU endorsement still outstanding, the amendments must be applied retrospectively for financial years beginning on or after 1 January 2019. Early application is permitted. The transitional provisions allow certain instances of transitional relief. No effects are expected from this regulation within the DFV Group due to the absence of relevant business transactions.

IFRS 16 – Leases

On 13 January 2016, the IASB published IFRS 16 (Leases), which must be applied from 1 January 2019 onward. DFV will apply the new standard on the prescribed effective date according to the modified retrospective approach. To date, DFV has only entered into operating leases for movable assets such as IT and office equipment. Until now, the payment obligations for operating leases only had to be disclosed in the notes. In future, however, the rights and obligations resulting from these leases must be recognised as assets (right of use for the leased asset) and liabilities (lease liabilities) in the balance sheet. The Group expects this redefinition of a lease to have an impact on the number of items to be recognised as a lease. Exceptions to this are short-term leases with terms of up to 12 months and leases for low-value assets. DFV expects the new regulations to result in a slight increase in the balance sheet total, measures by total assets, at the time of initial application.

In the income statement, the expenses from operating leases have so far been reported in various items in line with the expenses incurred in the various divisions. In future, depreciation on the right of use and interest expenses for leasing liabilities will be reported instead.

In the statement of cash flow, payments for operating leases were previously reported under cash flow from operating activities. In future, they will be divided into interest and principal payments. While interest payments are still reported under cash flow from operating activities, principal payments are allocated to cash flow from financing activities.

According to previous analyses, lessor accounting will remain largely unchanged, with the exception of extended disclosures in the notes.

The transitional provisions contain instances of relief to the effect that a so-called simplified procedure – which does not include full retrospective accounting – can be applied for the first-time application of IFRS 16. An adjustment of the previous year's figures would not be necessary if the simplified procedure were applied. If the simplified procedure is applied, existing policies would not have to be fully reassessed retroactively.

As explained above, the implementation of IFRS 16 is expected to lead to changes in the accounting treatment of lessee relationships in the consolidated financial statements. However, the overall impact on the Group's asset, financial and earnings position is considered to be subordinate.

IFRIC 23 – Uncertainty over Income Tax Treatments

The interpretation was published in June 2017 and must be applied to the recognition of income taxes in accordance with IAS 12 if there are uncertainties regarding the treatment of income taxes. It does not apply to taxes or duties that do not fall within the scope of IAS 12, and does not contain provisions on interest and late-payment penalties associated with uncertain tax treatment. The interpretation requires an entity to decide whether it should assess uncertain tax treatments individually. In addition, assumptions must be made with regard to the review of tax treatments by the tax authorities. In addition, the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates are issues of interpretation, as are the consideration of changes in facts and circumstances.

Entities must determine whether to assess each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach chosen should be that which allows the best prediction of the resolution of the uncertainty. The interpretation is effective for reporting periods beginning on or after 1 January 2019; however, certain instances of transitional relief may be used. Specific statements on the expected effects of IFRIC 23 cannot be made at the time these consolidated financial statements were prepared.

IAS 1/IAS 8 – Presentation of Financial Statements/Accounting Policies, Changes in Accounting Estimates and Errors

The amendments to IAS 1 and IAS 8, in combination with additional explanations on their application, are intended to sharpen the concept of materiality and, in particular, to facilitate the assessment of materiality for users of IFRS. In addition, the amendments ensure that the definition of materiality is uniform in the IFRS rules and regulations.

IAS 19 – Employee Benefits

The IASB issued the amendments in February 2018, addressing one of the two issues relating to IAS 19 that were filed with the IFRS Interpretations Committee and published as a joint draft in June 2015. The following modifications to plan amendments, curtailments or settlements (amendments to IAS 19) were adopted:

- In the future, it will be mandatory that in the event of an amendment, curtailment or settlement of a defined benefit plan, the current service cost and the net interest for the remainder of the financial year be recalculated using the current actuarial assumptions used for the required revaluation of the net liability (asset).
- Furthermore, additions have been made to clarify how a plan amendment, curtailment or settlement affects the requirements for asset value ceilings.

An entity is to apply the changes to plan amendments, curtailments or settlements that begin on or after 1 January 2019. Early adoption is permitted but should be disclosed. The changes relate to future plan amendments, curtailments or settlements.

None of these issues is currently relevant to DFV, so that no effects are foreseeable.

IAS 28 – Investments in Associates and Joint Ventures

These changes were published in October 2017 and they explain that an entity first applies IFRS 9 to financial instruments that are not accounted for using the equity method but are part of a net investment in an associate or joint venture. IAS 28.38 and IAS 28.40–43 are to be applied subsequently. Subject to the EU endorsement still outstanding, the amendments must be applied retrospectively for financial years beginning on or after 1 January 2019. Early application is permitted. The transitional provisions provide for some instances of transitional relief. There are no effects for the DFV.

IFRS 3 – Business Combinations

Clarification of the business definition in IFRS 3 Appendix B5 ff. The amendment provides guidance to facilitate the distinction between the acquisition of a business and the acquisition of an asset or group of assets. Only the acquisition of a business operation falls within the scope of IFRS 3 and results in the capitalisation of goodwill.

Improvements to IFRS (2015–2017)

The improvements to IFRS for 2015 to 2017 are an omnibus standard issued in December 2017 that addresses amendments to various IFRS that are effective for annual periods beginning on or after 1 January 2019. The improvements to IFRS contain the following changes:

Since the improvements were not published until December 2017, the analyses of their relevance for DFV have only just begun. To this extent, no statements can yet be made about the expected effects of the improvements on future consolidated financial statements.

- IAS 12: Clarification regarding the recognition of income tax consequences of financial instruments reported under equity: Tax effects on dividends should be recognised when liabilities for taxes are recognised. The reporting of corporate taxes on dividends is based on the (generally recognised through profit or loss) origination of past transactions that are the basis for the origination of dividends (and not on the reclassification of dividends from equity to liabilities with no effect on profit or loss).
- IAS 23: From the point in time when an asset is completed or procured for which borrowed capital has been raised and not fully utilised, these borrowing costs are included in the interest rate for general borrowing for other qualifying assets for which no specific borrowing has been raised.
- IFRS 3/IFRS 11: Clarification of accounting for a change of status from at-equity interests to interests in a joint operation (IFRS 11) and for a change of status from interests in a joint operation to sole control (IFRS 3). In the first case, the previously held shares are not revalued. In the latter case, it is treated as a successive business combination with a revaluation of the shares previously held.

1.3 Valuation changes

There were no changes to the valuation methods in the 2019 financial year.

2 NOTES TO THE CONSOLIDATED BALANCE SHEET AND STATEMENT OF COMPREHENSIVE INCOME

2.1 Consolidated assets

2.1.1 Development of other intangible assets

DEVELOPMENT OF OTHER INTANGIBLE ASSETS

In EUR thousand	Purchased software	Other intangible assets	Total	Purchased software	Other intangible assets	Total
		30.06.2019			31.12.2018	
Gross carrying amount as of 31 December of previous year	**12,449**	**2,330**	**14,779**	**12,151**	**1,222**	**13,373**
Cumulative depreciation as of 31 December of previous year	4,602	972	5,574	3,417	636	4,053
Carrying amount as of 31 December of the previous year 1 January of the financial year	**7,847**	**1,358**	**9,205**	**8,734**	**586**	**9,320**
Additions	72	391	463	310	1,108	1,418
Disposals of gross carrying amounts	0	0	0	–12	0	–12
Depreciation	466	334	800	1,185	336	1,521
Disposals of depreciation and amortisation	0	0	0	0	0	0
Carrying amount as of 30 June of the financial year 31 December of the previous year	**7,453**	**1,415**	**8,868**	**7,847**	**1,358**	**9,205**
Cumulative depreciation as of 30 June of financial year	5,068	1,306	6,374	4,602	972	5,574
Gross carrying amount as of 30 June of financial year	**12,521**	**2,721**	**15,242**	**12,449**	**2,330**	**14,779**

2.1.2 Financial instruments – available for sale

FINANCIAL INSTRUMENTS – AVAILABLE FOR SALE

In EUR thousand	30.06.2019	31.12.2018
Non-fixed interest		
Stocks	2,423	8,342
Investment shares	7,043	0
Bonds	96,651	25,311
Fixed interest and call money	400	56,400
Total	**106,517**	**90,053**

Securities lending

No securities were lent as of the reporting date.

2.1.3 Shares of reinsurers in underwriting provisions

SHARES OF REINSURERS IN UNDERWRITING PROVISIONS

In EUR thousand	30.06.2019	31.12.2018
Unearned premiums	538	558
Actuarial provisions	35,489	30,488
Provision for outstanding claims	2,848	3,970
Other underwriting provisions	10	2
Total	**38,885**	**35,018**

2.1.3.1 Shares of reinsurers in the development of unearned premiums

SHARES OF REINSURERS IN THE DEVELOPMENT OF UNEARNED PREMIUMS

In EUR thousand	30.06.2019	31.12.2018
As of 31 December of the previous year/1 January of the financial year	**558**	**2,007**
Additions	538	558
Reversal/utilisation	558	2,007
As of 31 December of the financial year/previous year	**538**	**558**

2.1.3.2 Shares of reinsurers in the development of actuarial provisions

SHARES OF REINSURERS IN THE DEVELOPMENT OF ACTUARIAL PROVISIONS

In EUR thousand	30.06.2019	31.12.2018
Actuarial provisions for previous year	**30,488**	**22,030**
Addition	5,131	8,733
Reversal	129	275
Actuarial provisions for financial year	**35,489**	**30,488**

2.1.3.2 Shares of reinsurers in the development of the provision for outstanding claims

SHARES OF REINSURERS IN THE DEVELOPMENT OF THE PROVISION FOR OUTSTANDING CLAIMS

In EUR thousand	30.06.2019	31.12.2018
As of 31 December of the previous year/1 January of the financial year	**3,971**	**5,375**
Claims expenses		
For the financial year	4,061	10,062
For previous years	−983	−91
Total	**3,078**	**9,971**
Less payments		
For the financial year	2,764	7,691
For previous years	1,437	3,685
Total	**4,201**	**11,375**
As of 31 December of the financial year/previous year	**2,848**	**3,971**

2.1.4 Receivables

RECEIVABLES

In EUR thousand	30.06.2019	31.12.2018
Receivables from direct insurance business	755	722
Of which from policyholders	742	538
Of which from insurance brokers	13	184
Accounts receivable from reinsurance business	1,259	3,506
Receivables from insurance business	**2,014**	**4,228**
Receivables from long-term care insurance allowance	248	575
Other receivables	0	118
Total	**2,262**	**4,921**

2.1.5 Deferred taxes

DEFERRED TAX ASSETS

In EUR thousand	Total deferred tax assets 30.06.2019	Of which not recognised through profit or loss 30.06.2019	Of which recognised through profit or loss 30.06.2019	Total deferred tax assets 31.12.2018	Of which not recognised through profit or loss 31.12.2018	Of which recognised through profit or loss 31.12.2018
Intangible assets	0	0	0	0	0	0
Capital investments						
Financial instruments	50	1	49	151	145	6
Derivative financial instruments				0	0	0
Underwriting provisions	152	0	152	34	0	34
Other	120	0	120	0	0	0
Income tax loss carried forward	2,242	0	2,242	1,825	0	1,825
	2,564	**1**	**2,563**	**2,010**	**145**	**1,865**

DEFERRED TAX LIABILITIES

In EUR thousand	Total deferred tax liabilities 30.06.2019	Of which not recognised through profit or loss 30.06.2019	Of which recognised through profit or loss 30.06.2019	Total deferred tax liabilities 31.12.2018	Of which not recognised through profit or loss 31.12.2018	Of which recognised through profit or loss 31.12.2018
Intangible assets	762	0	762	801	0	801
Capital investments						
Financial instruments	833	833	0	0	0	0
Derivative financial instruments	0	0	0	64	0	64
Underwriting provisions	0	0	0	0	0	0
Other	0	0	0	101	0	101
	1,595	**833**	**762**	**966**	**0**	**966**

2.1.6 Other assets

OTHER ASSETS

In EUR thousand	30.06.2019	31.12.2018
Operating and office equipment	594	677
Accruals and deferrals	763	350
Tax prepayments	475	1,961
Other assets	647	2,086
Total	**2,479**	**5,074**

2.2 Consolidated liabilities

2.2.1 Equity

Other reserves

UNREALISED GAINS AND LOSSES

In EUR thousand	01.01.2018	Change	31.12.2018
Capital investments	−840	−75	−915
Deferred taxes	141	4	145
	−699	**−71**	**−770**

In EUR thousand	01.01.2019	Change	30.06.2019
Capital investments	−915	3,369	2,454
Deferred taxes	145	−978	−833
	−770	**2,391**	**1,621**

EXPENSES FOR THE PROCUREMENT OF EQUITY

In EUR thousand	01.01.2018	Change	31.12.2018
Expenses for the procurement of equity	0	−3,636	−3,636
Deferred taxes	0	1,164	1,164
	0	**−2,473**	**−2,473**

In EUR thousand	01.01.2019	Change	30.06.2019
Expenses for the procurement of equity	−3,636	−192	−3,828
Deferred taxes	1,164	62	1,226
	−2,473	**−130**	**−2,603**

2.2.2 Underwriting provisions (gross)

UNDERWRITING PROVISIONS (GROSS)

In EUR thousand	30.06.2019	31.12.2018
Unearned premiums	2,571	2,537
Actuarial provisions	48,373	42,570
Provision for outstanding claims	11,875	10,269
Provision for premium refunds	310	836
Other underwriting provisions	220	32
Total	**63,349**	**56,244**

2.2.2.1 Development of unearned premiums

DEVELOPMENT OF UNEARNED PREMIUMS

In EUR thousand	30.06.2019	31.12.2018
As of 31 December of the previous year/1 January of the financial year	**2,537**	**4,338**
Additions	2,571	2,537
Reversal/utilisation	−2,537	−4,338
As of 31 December of the financial year/previous year	**2,571**	**2,537**

2.2.2.2 Development of actuarial provisions

DEVELOPMENT OF ACTUARIAL PROVISIONS

In EUR thousand	30.06.2019	31.12.2018
Actuarial provisions for previous year	**42,570**	**30,941**
Addition	5,533	11,181
Reversal	181	386
Interest portion	450	833
Actuarial provisions for financial year	**48,373**	**42,570**

The interest portion is calculated using the respective discount rate from the financial year in relation to the mean value of the actuarial balance sheet provision for the previous year and the financial year.

2.2.2.3 Development of the provision for outstanding claims

DEVELOPMENT OF THE PROVISION FOR OUTSTANDING CLAIMS

In EUR thousand	30.06.2019	31.12.2018
As of 31 December of the previous year/1 January of the financial year	**10,269**	**10,714**
Claims expenses		
For the financial year	17,747	26,207
For previous years	420	751
Total	**18,167**	**26,958**
Less payments		
For the financial year	10,278	19,483
For previous years	6,283	7,920
Total	**16,561**	**27,403**
As of 31 December of the financial year/previous year	**11,875**	**10,269**

2.2.2.4 Development of the provision for premium refunds

DEVELOPMENT OF THE PROVISION FOR PREMIUM REFUNDS

In EUR thousand	30.06.2019	31.12.2018
As of 31 December of the previous year/1 January of the financial year	**836**	**812**
Additions	0	24
Utilisation	526	0
As of 31 December of the financial year/previous year	**310**	**836**

2.2.2.5 Other underwriting provisions

OTHER UNDERWRITING PROVISIONS

In EUR thousand	30.06.2019	31.12.2018
Cancellation provision	41	7
Other underwriting provisions	179	25
Total	**220**	**32**

2.2.3 Other provisions

DEVELOPMENT OF OTHER PROVISIONS

In EUR thousand	30.06.2019	31.12.2018
As of 31 December of the previous year	**872**	**484**
Utilisation	834	483
Reversal	38	1
Addition	2,378	872
As of 31 December of the financial year	**2,378**	**872**

The remaining term of other provisions is at most 12 months.

2.2.4 Liabilities

LIABILITIES

In EUR thousand	30.06.2019	31.12.2018
Liabilities from direct insurance business	1,361	1,612
Of which to policyholders	368	195
Of which to insurance brokers	993	1,417
Accounts payable from reinsurance business	114	159
Deposits retained on ceded reinsurance business	39,573	32,840
Liabilities from insurance business	**41,048**	**34,611**
Other liabilities	4,240	3,256
Total	**45,288**	**37,867**

2.3 Consolidated statement of comprehensive income

2.3.1 Earned premiums

With regard to premiums written, change in unearned premiums and earned premiums (each gross, re- and net), we refer you to the income statement.

2.3.2 Income from capital investments

INCOME FROM CAPITAL INVESTMENTS

In EUR thousand	30.06.2019	2018
Revenue from capital investments		
Current revenue from capital investments	438	522
Gains from changes in fair value	0	253
Gains from the disposal of capital investments	1,176	0
Total	**1,614**	**775**
Expenses for capital investments		
Expenses for the management of capital investments, other expenses	131	209
Depreciation and impairments of capital investments	15	865
Losses from changes in fair value	253	0
Losses from the disposal of capital investments	0	2,044
Total	**399**	**3,118**
Income from capital investments	**1,215**	**–2,344**

2.3.3 Other revenue

OTHER REVENUE

In EUR thousand	30.06.2019	2018
Other underwriting revenue	0	39
Other non-underwriting revenue	75	989
Total	**75**	**1,028**

2.3.4 Insurance benefits

INSURANCE BENEFITS

In EUR thousand	30.06.2019	2018
Payments for insurance claims		
Gross amount	16,561	27,403
Share of reinsurers	4,201	11,375
Net amount	12,360	16,027
Change in the provision for outstanding claims		
Gross amount	1,606	−445
Share of reinsurers	1,123	1,404
Net amount	2,729	959
Change in actuarial provisions		
Gross amount	5,802	11,629
Share of reinsurers	5,002	8,458
Net amount	800	3,171
Change in other underwriting provisions		
Gross amount	188	25
Share of reinsurers	8	0
Net amount	180	25
Expenses for premium refunds		
Gross amount	−526	24
Share of reinsurers	0	0
Net amount	−526	24
Total	**15,543**	**20,207**

2.3.5 Expenses for insurance operations

EXPENSES FOR INSURANCE OPERATIONS

In EUR thousand	30.06.2019	2018
Acquisition expenses	18,946	21,977
Administrative expenses	3,900	7,047
Of which: Share of reinsurers	9,754	14,487
Total	**13,092**	**14,537**

2.3.6 Other expenses

OTHER EXPENSES

In EUR thousand	30.06.2019	2018
Other underwriting expenses		
Deposit interest for reinsurance	388	596
Fire protection tax	8	0
Other underwriting expenses	0	36
	396	**632**
Other non-underwriting expenses	1,528	3,471
Of which Supervisory Board remuneration	164	176
Total	**1,924**	**4,104**

3 OTHER INFORMATION

3.1 Financial instruments and fair-value measurement (fair-value hierarchy)

ASSETS AND LIABILITIES BY LEVEL (30 JUNE 2019)

In EUR thousand	Level 1	Level 2	Level 3	Total
Shares in subsidiaries, joint ventures and associates	0	0	0	0
Financial instruments available for sale	106,517	0	0	106,517
Non-current assets held for sale	0	0	0	0
Total positive market values	**106,517**	**0**	**0**	**106,517**
Shares in subsidiaries, joint ventures and associates	0	0	0	0
Financial instruments available for sale	0	0	0	0
Non-current assets held for sale	0	0	0	0
Total negative market values	**0**	**0**	**0**	**0**

ASSETS AND LIABILITIES BY LEVEL (31 DECEMBER 2018)

In EUR thousand	Level 1	Level 2	Level 3	Total
Shares in subsidiaries, joint ventures and associates	0	0	0	0
Financial instruments available for sale	90,053	0	0	90,053
Non-current assets held for sale	0	0	0	0
Total positive market values	**90,053**	**0**	**0**	**90,053**
Shares in subsidiaries, joint ventures and associates	0	0	0	0
Financial instruments available for sale	0	0	0	0
Non-current assets held for sale	0	0	0	0
Total negative market values	**0**	**0**	**0**	**0**

3.2 Disclosures regarding contingent liabilities

As of the balance sheet date (30 June 2019), there were no contingent liabilities in addition to the provisions recognised in the consolidated balance sheet that would have to be reported.

3.3 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.

3.4 Responsibility statement of the legal representatives

'We assure to the best of our knowledge that – in accordance with the applicable reporting principles for interim financial reporting – the interim consolidated financial statements give a true and fair view of the asset, financial and earnings position of the Group, and the interim 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 for the remaining months of the financial year.'

Frankfurt am Main, 26 August 2019

DFV Deutsche Familienversicherung AG

Executive Board

Dr Stefan M. Knoll	Michael Morgenstern	Stephan Schinnenburg	Marcus Wollny

REVIEW CERTIFICATE

To DFV Deutsche Familienversicherung AG

We have reviewed the condensed consolidated interim financial statements – comprised of the balance sheet, statement of comprehensive income, statement of cash flow, statement of changes in equity and selected explanatory notes – and the interim management report of DFV Deutsche Familienversicherung AG for the period from 1 January 2019 to 30 June 2019, which are part of the semi-annual financial report pursuant to section 115 of the WpHG (Wertpapierhandelsgesetz – German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the European Union and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the parent company's management. Our task is to issue a review certificate for the condensed consolidated interim financial statements and on the interim group management report based on our review.

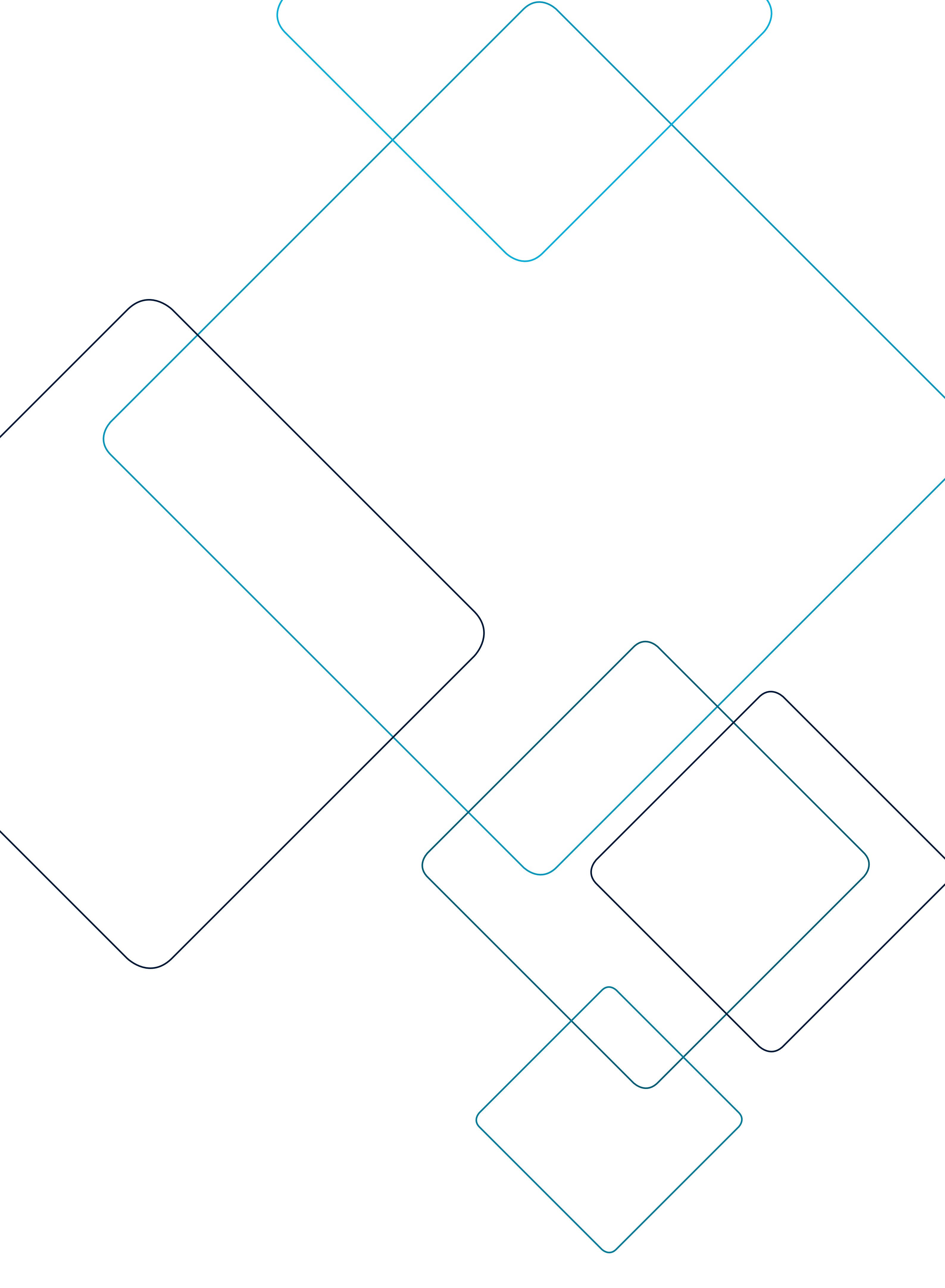
We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the European Union and that the interim group management report has not been prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in an audit of financial statements. Since, in accordance with our task, we have not performed an audit of the financial statements, we cannot issue an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the European Union, or that the interim group management report has not been prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Cologne, 28 August 2019

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dr Thomas Varain Auditor	Martin Lächele Auditor



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