



Deutsche Familienversicherung

The leading InsurTech in Europe

Capital Markets Day 2022 – 7th September 2022



Welcome

Programme of Capital Markets Day

Half-Year Financial Report 2022 Karsten Paetzmann

News from Operations & IT Marcus Wollny

Introducing Hyrance AG Alois Knoll

News from Sales Ansgar Kaschel

Outlook & Summary Stefan Knoll

Q&A



Half-Year Financial Report 2022

Karsten Paetzmann
CFO

Financial results H1 2022

+36%

Growth
GWP

-9%

Opex (Cost cutting)
Primary insurance

€1.9M

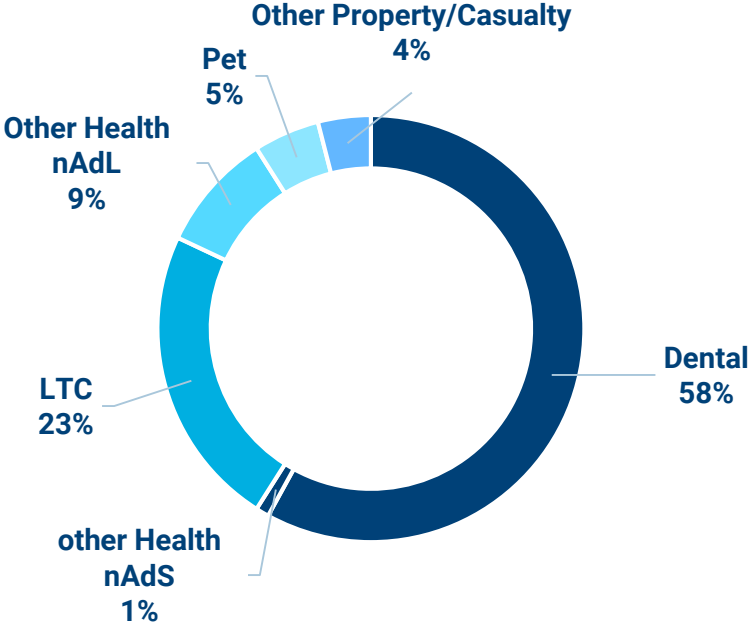
Profit before
tax



Financial results H1 2022

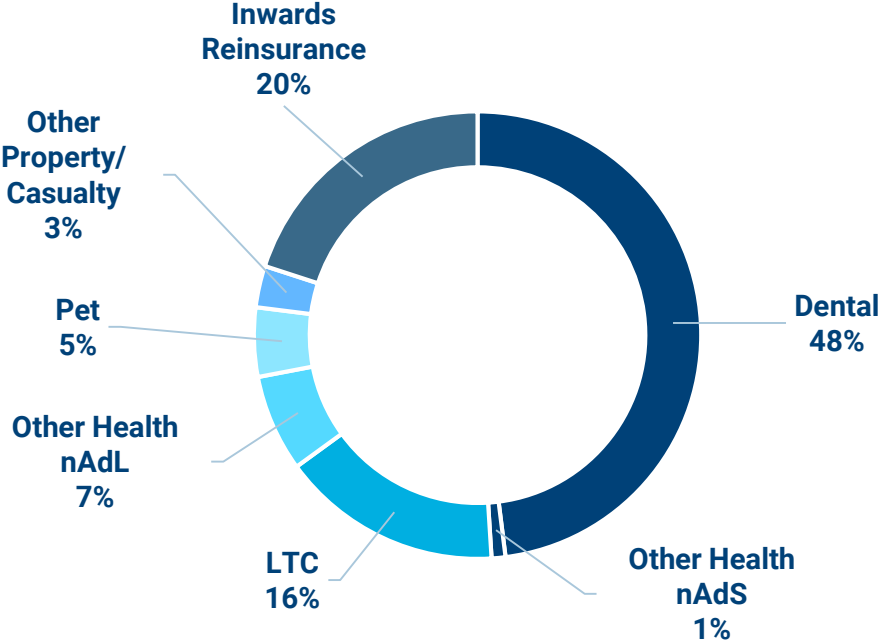
Growth and diversification

Product mix H1 2021



+36%

Product mix H1 2022



Based on gross written premiums (GWP)
 LTC: Long-term care
 nAdL: nach Art der Lebensversicherung, calculated as life insurance
 nAdS: nach Art der Schadenversicherung, calculated as non-life insurance

Financial results H1 2022

Positive operating profit in Q1 2022 and in Q2 2022

Statement of comprehensive income

€m	H1 2021	H1 2022	H1 2022 Inwards reinsurance	H1 2022 Primary insurance	Delta Primary insurance	
Gross written premiums (GWP)	66.7	90.8	17.9	72.9	+6.2	①
Net earned premiums (NEP)	34.3	58.7	17.9	40.8	+6.5	①
Income from capital investments	4.0	3.4	0.0	3.4	-0.6	②
Other revenue	0.0	0.3	0.2	0.1	+0.1	
Insurance benefits	-23.6	-41.6	-12.9	-28.6	-5.0	③
Expenses from insurance operations	-13.8	-17.3	-4.9	-12.5	+1.3	
Other expenses	-1.9	-1.6	0.0	-1.6	+0.3	
Operating income	-1.0	1.9	0.4	1.5	+2.5	
Financing expenses for leases	0.0	0.0	0.0	0.0	+0.0	
Profit before tax	-1.0	1.9	0.4	1.5	+2.5	
Income taxes	0.3	-0.6	-0.1	-0.5	-0.8	
Profit after tax	-0.7	1.3	0.3	1.0	+1.7	
Unrealised gains and losses from capital investments	-0.7	-14.9	0.0	-14.9	-14.1	④
Total comprehensive income	-1.4	-13.6	0.3	-13.8	-12.4	
GWP per policy in € - annualised (primary insurance only)	237	n/a		252		
Average # of staff	170	185		185		
Net claims ratio	68.9%	70.8%	72.2%	70.2%		

GWP in **primary insurance** increased by 9% y-o-y in H1 2022, while the respective NEP grew by 19% in the same period.

Stabilised **income from capital investments**, however lower than in H1 2021.

Insurance benefits in **primary insurance** increased by 21% y-o-y, slightly stronger than the NEP.

The net claims ratio in the primary insurance business, after allocation to the actuarial reserve and to the reserve for premium refunds (Rückstellung für Beitragsrück-erstattung), increased to 70.2% in H1 2022.

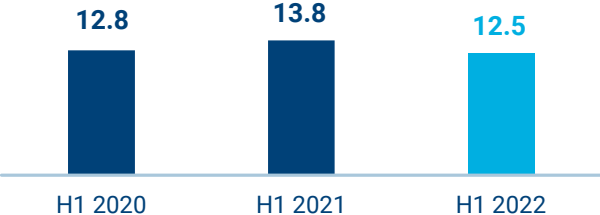
In H1 2022 substantial **unrealised losses in fair value** of capital investments, recorded directly in equity in accordance with IAS 39.

Financial results H1 2022

Focus on cost management

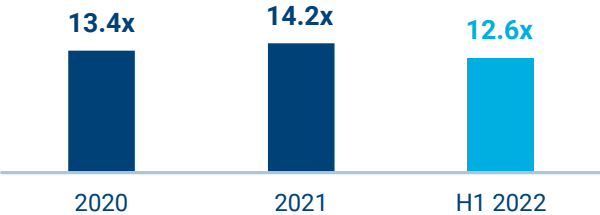
Opex

(primary insurance; net in €m)



Customer acquisition cost (CAC)

(in monthly premiums)



- Stringent **cost management** accompanies DFV's growth path

- Opex in primary insurance decreased by 9% y-o-y, compared to a 19% growth in NEP.
- Strengthening of the revenue per policy results in an increase in efficiency.
- Initiatives to further automate processes add further momentum.
- Enhanced commitment to cost discipline.

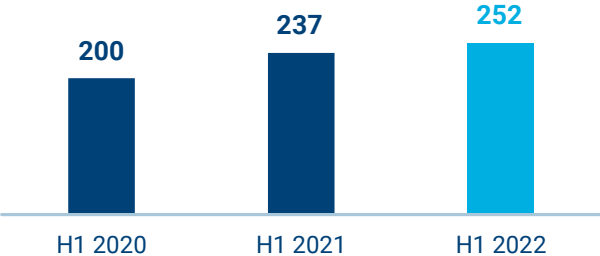
Specific cost cuts

(exemplary; in €m)

	Targeted savings in 2022
Office building	€0.5m
Sales	€6.0m
Marketing	€1.5m
External consulting	€1.6m

Revenue per policy

(annualised in €)



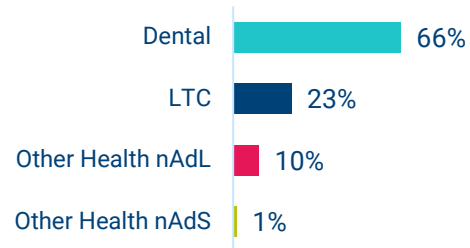
Opex: IFRS expenses from insurance operations acc. to IFRS
 CAC: Customer acquisition cost before personnel expenses, expressed as a multiple of the monthly premium of the acquired insurance contracts

Financial results H1 2022

Health segment

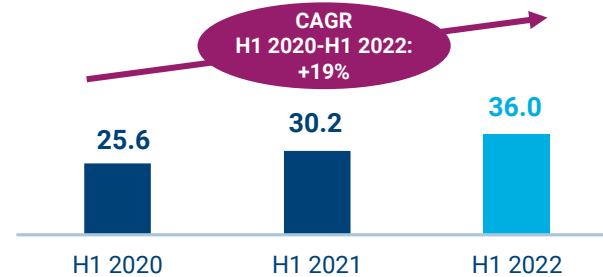
Portfolio structure

(% of segment's GWP; H1 2022)



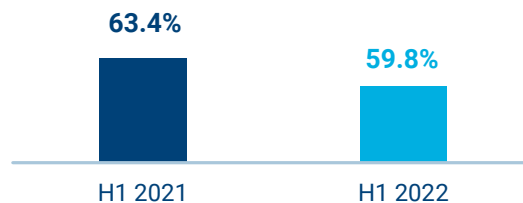
Growth

(NEP in €m)



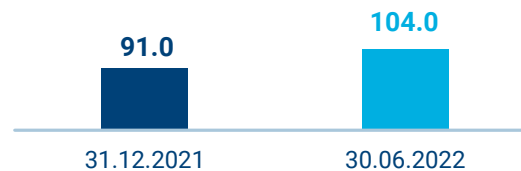
Loss ratio

(net before allocation to actuarial reserve)



Actuarial reserve

(gross in €m)



- Continued **strong growth**

- Further exploiting DFV's specialised market position.
- Increase in volume due to the ongoing new business stream, leveraging DFV's established online channels and cross-selling initiatives.
- Raise in price driven by regular premium adjustments and up-selling initiatives.

- Favourable trend** in insurance losses

- Continued optimisation and further automation in Dental.
- Hygiene lump sum (*Hygienepauschale*) expired on 31 March 2022.
- Stable growth of the LTC (long-term care) business and other Health products nAdL drives the continued increase of the actuarial reserve (*Deckungsrückstellung*).

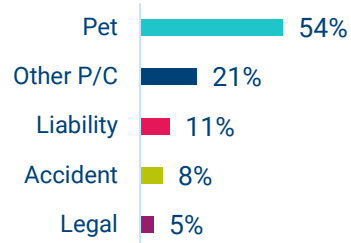
Loss ratio: Insurance benefits before allocation to actuarial reserve and to reserve for premium refunds (net) as percentage of net earned premiums
CAGR: Compound annual growth rate

Financial results H1 2022

Property-Casualty segment

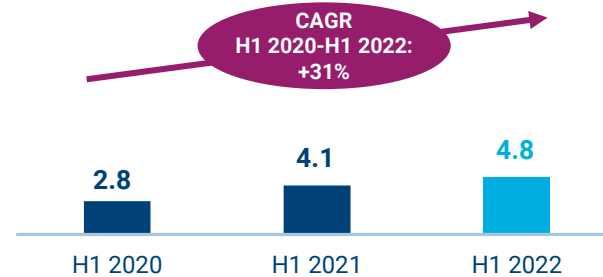
Portfolio structure

(% of segment's GWP; H1 2022)



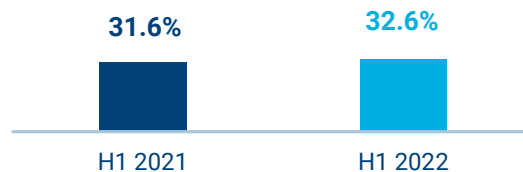
Growth

(NEP in €m)



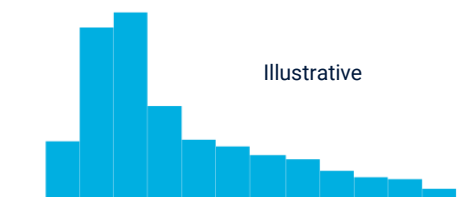
Loss ratio

(net)



Age structure of insured pets

(# of insured pets by age band)



- **Strong growth rate**

- Pet insurance as the major growth driver, utilising DFV's established online sales channels.
- Strengthened cross-selling und up-selling activities.
- New sales distribution agreement in Austria.

- **Insurance losses remain attractive**

- Prudent premium calculation.
- Due to the ageing of the insured pets, a certain increase of the loss ratio of this product is to be expected, in line with actuarial assumptions.
- New, attractively priced Pet surgery insurance launched.
- Stable loss ratios in a competitive market.

Financial results H1 2022

Inwards reinsurance segment

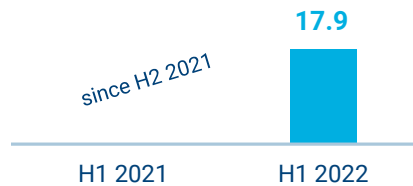
Portfolio structure

Quota share contract reinsuring one partner of a consortium covering a portfolio of approx. 0.5 million insureds

Insurance of all 450,000 non-managerial staff of the German chemical and pharmaceutical industry; in addition also managerial staff may be insured

Growth

(NEP in €m)



- Successful **kick-off into the reinsurance segment**

- Group long-term care (LTC) contract agreed on by the social partners.
- DFV assuming a primary insurer's share in the group LTC contract since H2 2021.
- Attractive conditions in line with actuarial calculation.

Loss ratio

(net before allocation to actuarial reserve)



Actuarial reserve

(in €m)



Financial results H1 2022

Impact of inflation and recession

Main DFV measures by segment/area

Segment/area	% of GWP H1 2022	Assessment and measures by DFV
Health nAdS and Property-Casualty	49% 8%	<ul style="list-style-type: none"> • Not the consumer price index (CPI), but rather the specific 'medical inflation' is relevant • Short contract boundaries allow for adjustments to premiums, including Health nAdS • Prudent reserving policy in the existing book • Risk and product monitoring intensified • Focus on products that are not prone to recession and a possible demand decline and churn • Development and launch of attractive new products
Health nAdL	23%	<ul style="list-style-type: none"> • Regular premium adjustments (<i>Beitragsanpassung</i>) mitigate inflation risk • New investments in DFV's growing security assets portfolio (<i>Sicherungsvermögen</i>) may make use of the elevated interest rates, while considering possible increases in credit risk
Inwards reinsurance	20%	<ul style="list-style-type: none"> • No notable inflation risk due to the specific terms of the inwards reinsurance contract

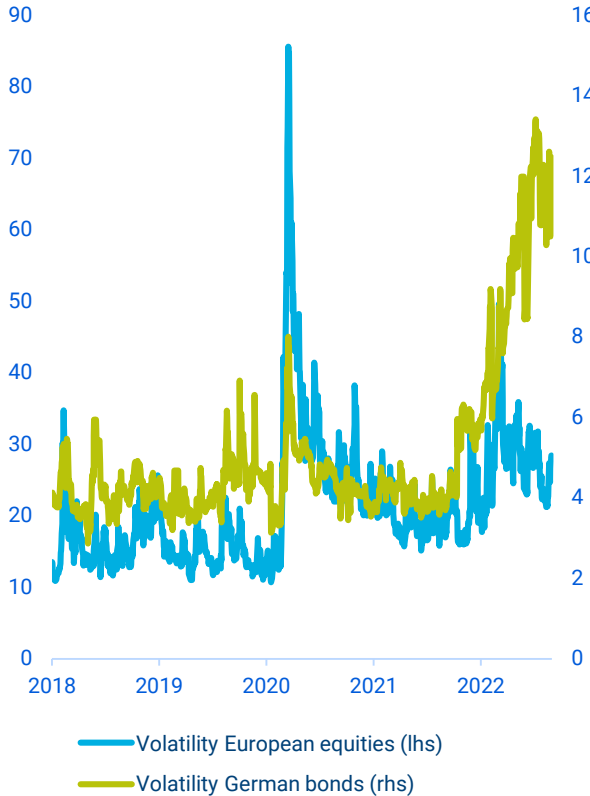
- Macroeconomic environment and **operational impacts**
 - Fueling rising claims costs and lower demand.
 - Regular premium adjustments in Health nAdL products (including LTC) mitigate inflation risk.
 - The same applies to Health nAdS and P/C products, due to their typically short contract boundary.
 - Additional mitigating impact by new product development and by initiatives to control churn.
- **Accounting mismatch** under current IFRS
 - IFRS 4: the prospective calculation of the actuarial reserve (*Deckungsrückstellung*) applies the actuarial interest rate (*Rechnungszins*).
 - IAS 39: the fair value determination refers to market data for discount rates, currently resulting in significant unrealised losses in capital investments.

Financial results H1 2022

'The Great Volatility'

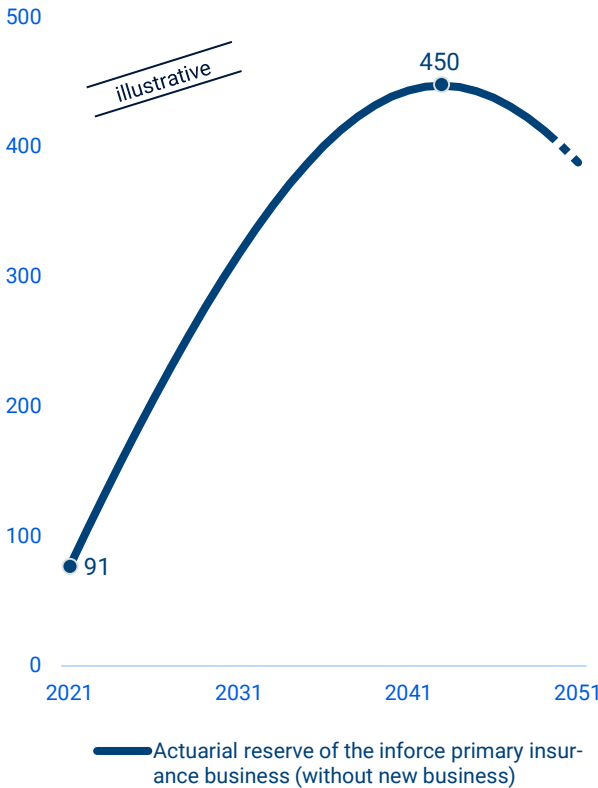
Historical volatility of equities and bonds

(in %; since 01.01.2018)



Projection of the actuarial reserve

(inforce business as at 31.12.2021; in €m)



ALM: Asset liability management
 European equity volatility index; 50:50 mix of historic implied call und put 1 month delta 50 volatility (Bund future, fixed income)
 Source: Bloomberg; European Central Bank (ECB); DFV Asset Liability Management

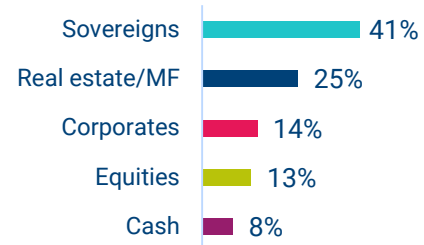
- The new Jackson Hole consensus: **volatility is here to stay**
 - The period of growing stability of the global financial markets—'The Great Moderation' from the 1980s to 2007—is over.
 - Isabel Schnabel, a member of the ECB executive board, coined the term 'The Great Volatility' in a talk delivered during the Jackson Hole economic symposium on 27 August 2022.
- Main focus of the **ALM**: The steadily growing actuarial reserve (*Deckungsrückstellung*) for the LTC business and other Health products nAdL.

Financial results H1 2022

Income from capital investments

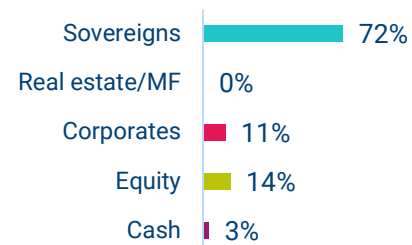
Asset allocation *Sicherungsvermögen*

(HI-DFV Master Fund; 30.06.2022)



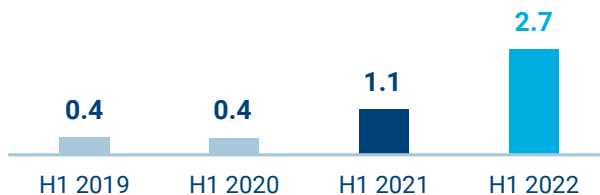
Asset allocation *Freies Vermögen*

(HI-DFV Master II Fund; 30.06.2022)



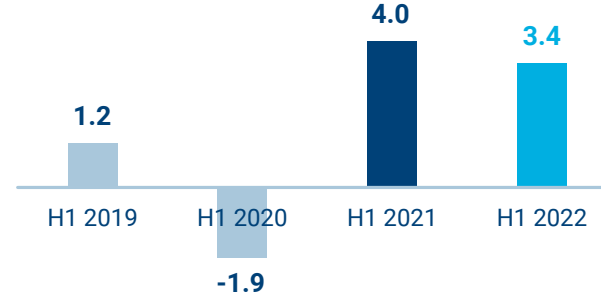
Current revenue from investments

(in €m)



Income from capital investments

(in €m)



- **Stabilised income** from investments

- Given the unprecedented, turbulent market environment in H1 2022, the income from capital investments decreased by only 15% y-o-y.
- However, this is accompanied by unrealised fair value losses, recorded directly in the IFRS consolidated equity (OCI).

- Focus on **current revenue**

- The asset allocations implemented in DFV's master funds focus on current revenue.
- DFV's entry into real estate investments contributes to stable current revenue.

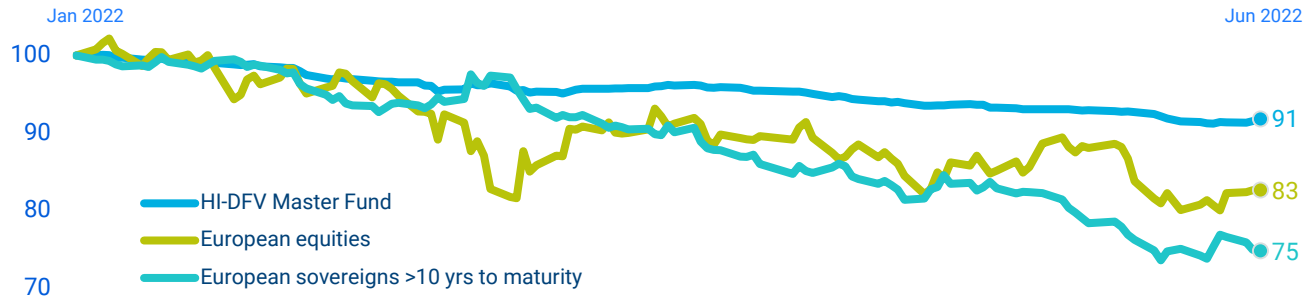
Sicherungsvermögen: Security assets portfolio for Health nAdL products
 Freies Vermögen: Includes a specific security assets portfolio for Health nAdS products
 MF: Micro finance investments

Financial results H1 2022

Unrealised gains and losses from capital investments

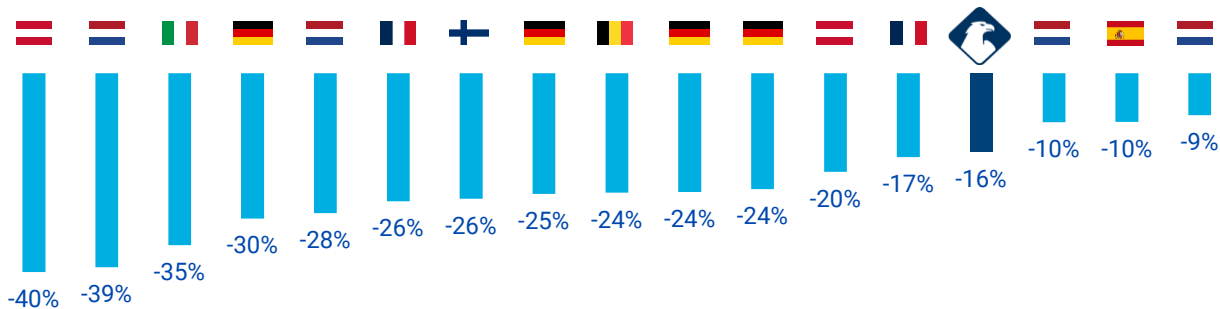
Development of market value compared

(H1 2022; Index 01.01.2022=100)



Development of shareholders' equity of EU insurers

(relative reduction 30.06.2022 vs 31.12.2021)



Shareholders' equity: IFRS consolidated equity without non-controlling interests
 OCI: Other comprehensive income
 Source: H1 2022 interim reports of selected insurers listed in the euro area

- Contribution made by **de-risking**

- To ensure that the obligations arising from our insurance activities can be fulfilled at any time (*dauerhafte Erfüllbarkeit*), 63% of the interest rate and equity risk of the security assets were secured in June 2022.
- Spreads of the corporates portfolio were reduced physically.

- **Unrealised losses of financial instruments** as a part of the IFRS comprehensive income

- As a result of the substantial interest rate increase during H1 2022, the balance sheet item 'Unrealised gains and losses' part of DFV's consolidated shareholders' equity decreased by €14.9m.
- Such 16% reduction in H1 2022 is moderate compared to other insurers applying IAS 39.

Financial results H1 2022

Financial position hallmarked by growth and investments

Consolidated balance sheet

€m	2021	H1 2022	Delta	
Intangible assets	7.2	6.5	-0.7	
Rights of use for property pursuant to IFRS 16	0.7	0.0	-0.7	
Investments	180.8	175.9	-4.9	①
Deposits retained on assumed reinsurance business	4.9	17.7	+12.9	
Receivables	8.2	7.2	-1.0	
Current bank balances	4.3	7.3	+2.9	
Share of reinsurers in underwriting provisions	68.1	77.0	+8.8	
Tax receivables	8.2	14.5	+6.3	
Other assets	1.6	1.7	+0.1	
Total assets	284.1	307.8	+23.8	
Gross underwriting provisions	123.0	151.4	+28.4	②
Other provisions	2.1	2.3	+0.2	
Liabilities	73.8	82.4	+8.7	
Tax liabilities	0.0	0.0	-0.0	
Total debt	198.9	236.2	+37.3	
Total equity	85.1	71.6	-13.5	
Non-controlling interests	0.0	0.1	+0.1	
Shareholders' equity	85.1	71.5	-13.6	③

Reduction in the fair value of the investment portfolio, mainly interest rate induced.

Increase of the **gross underwriting provisions** as a result of continued growth in the primary insurance business and the entry into the inwards reinsurance contract.

Bridge 2021 to H1 2022:

Shareholders' equity 2021	€85.1m
Consolidated profit before tax	€1.9m
Income taxes	€-0.6m
Unrealised gain/losses from capital investments (OCI)	€-14.9m
Shareholders' equity H1 2022	€71.5m

Financial results H1 2022

Sustainability strategy

Main DFV measures by area

Area	% of total emissions estimated (general)	Measures by DFV
Operations & IT	~1–5%	<ul style="list-style-type: none"> Newly introduced Carbon Emission Reporting serves as a basis for measures; carbon neutrality for scope 1 and 2 achieved in 2021 Established Zero Company Car Policy, accompanied by local public transport vouchers for staff (scope 3) Continuous monitoring of carbon reductions
Insurance activities (Underwriting & Claims)	~35–40%	<ul style="list-style-type: none"> Focus on temperature, wind, water and earth mass In respect to the EU taxonomy, DFV's insurance covers are irrelevant, as they mainly refer to personal injuries and personal losses DFV constantly monitors the development
Investments	~50–55%	<ul style="list-style-type: none"> Main focus areas of DFV are: Identification and implementation of ESG measures since 2021 Further operationalisation in the light of the (upcoming) EU taxonomy—work in progress DFV investment management continuously monitors emerging new sustainability regulations

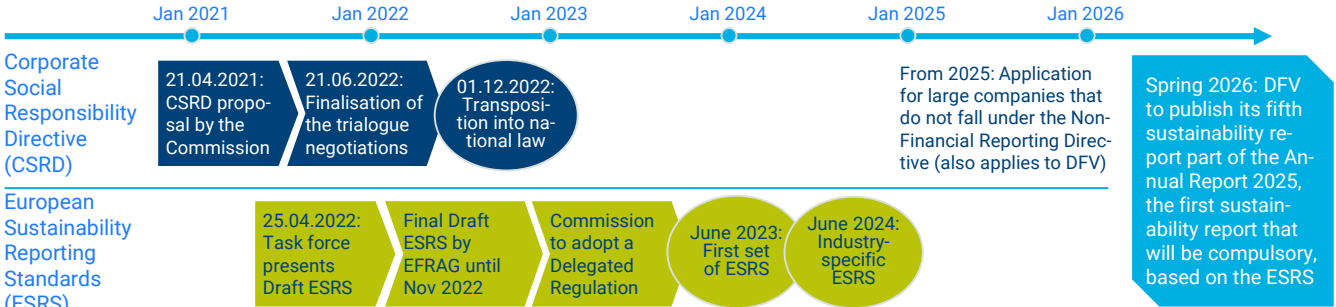
- The GHG Protocol divides greenhouse gas emissions into **three scopes**:
 - Scope 1: emissions that come directly from a company's own sources.
 - Scope 2: emissions which come indirectly from the generation of purchased energy from a utility provider.
 - Scope 3: includes all indirect emissions not part of scope 2 that occur in the company's value chain, including upstream (e.g. travel, commuting, waste) and downstream emissions. The latter *inter alia* comprise investments.
- DFV is part of the **first cohort of German insurers** having achieved carbon neutrality for scope 1 and 2 (since 2021).

Financial results H1 2022

Sustainable finance

Regulatory timeline for CSRD and ESRS

(simplified and preliminary as of 7 September 2022)

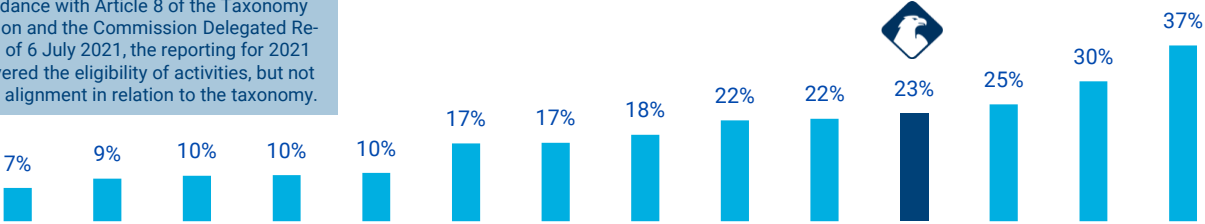


- **Sustainable finance regulation** progresses
 - DFV will have to apply the CSRD from 2025.
 - Until then, three more voluntary sustainability reports will be published, each of them audited.
 - The new ESRS will replace the standards of the Global Reporting Initiative (GRI) at DFV.
- A recent study on the **taxonomy eligibility of investments** illustrates the heterogeneity in the industry
 - Calculation methodology and depth of publication very inconsistent.
 - The criterion of 'eligible activities' only of limited significance.

Taxonomy eligibility of German insurers

(taxonomy-eligible investments as % of total capital investments; 31.12.2021)

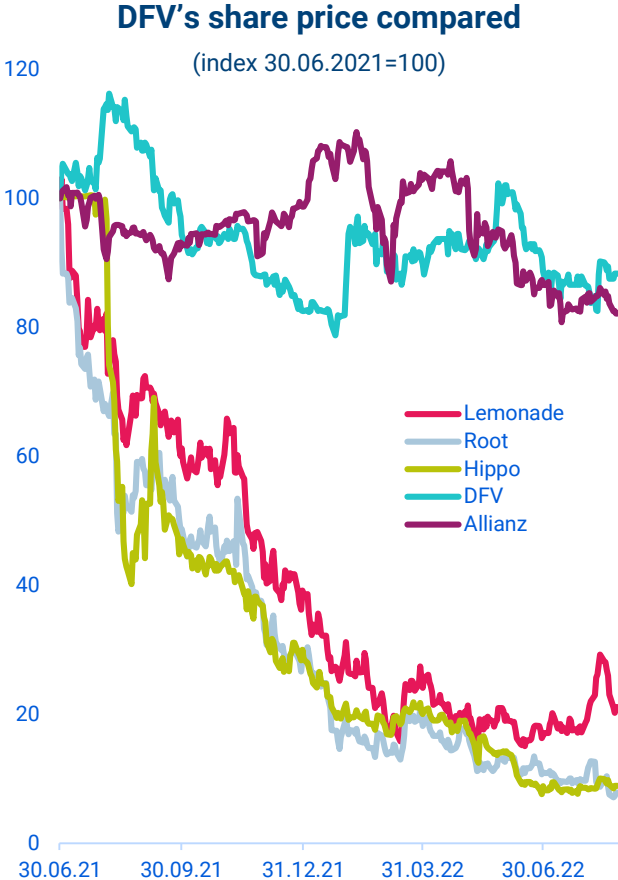
Eligibility analysis of the capital investments: In accordance with Article 8 of the Taxonomy Regulation and the Commission Delegated Regulation of 6 July 2021, the reporting for 2021 only covered the eligibility of activities, but not yet their alignment in relation to the taxonomy.



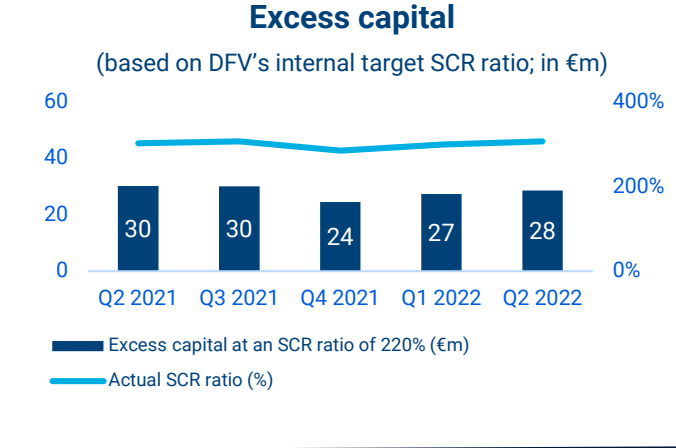
EFRAG: European Financial Reporting Advisory Group AISBL
 Taxonomy-eligible capital investments: based on a selection of 2021 sustainability reports; includes only insurers that report the alignment as % of total capital investments
 Source: DFV analysis based on PwC 2022 methodology

Financial results H1 2022

Financing strategy



SCR: Solvency capital requirement
 Excess capital: Methodology based on Geneva Association (2016)
 Source: Bloomberg, own analysis



Reinsurance partners

(testimonial leading reinsurer)

»» The development of DFV is a success story and the future is promising. Thank you for explaining your current challenges and future plans. We are pleased that we can support you in your current projects and hope to be able to continue them successfully with you. ««

- While DFV's **share price was stable** recently, it is dissatisfying based on fundamentals.
- Due to its **strong solvency position**, the financing of DFV remains robust and set for further growth.
- **Reinsurance solutions** have contributed to DFV's growth—as the company grows further, the volume of reinsurance usage will be constantly optimised.

Financial results H1 2022

Summary and outlook

- **36% growth** year-over-year—including the new inwards reinsurance contract
- Positive group profit before tax of **€1.9 million**
- Stabilised **investment income**, accompanied by unrealised losses
- **Cost cutting** initiatives are effective
- Projects to accelerate **process automation** and to sharpen DFV's **distribution approach** are being implemented
- Burdens related to **Covid-19** and the **Ukraine war** are well manageable due to DFV's stable market position, its digital business model and the robust solvency position
- The planned positive group profit before tax for 2022 of approx. €0–1 million is **confirmed**



News from Operations & IT

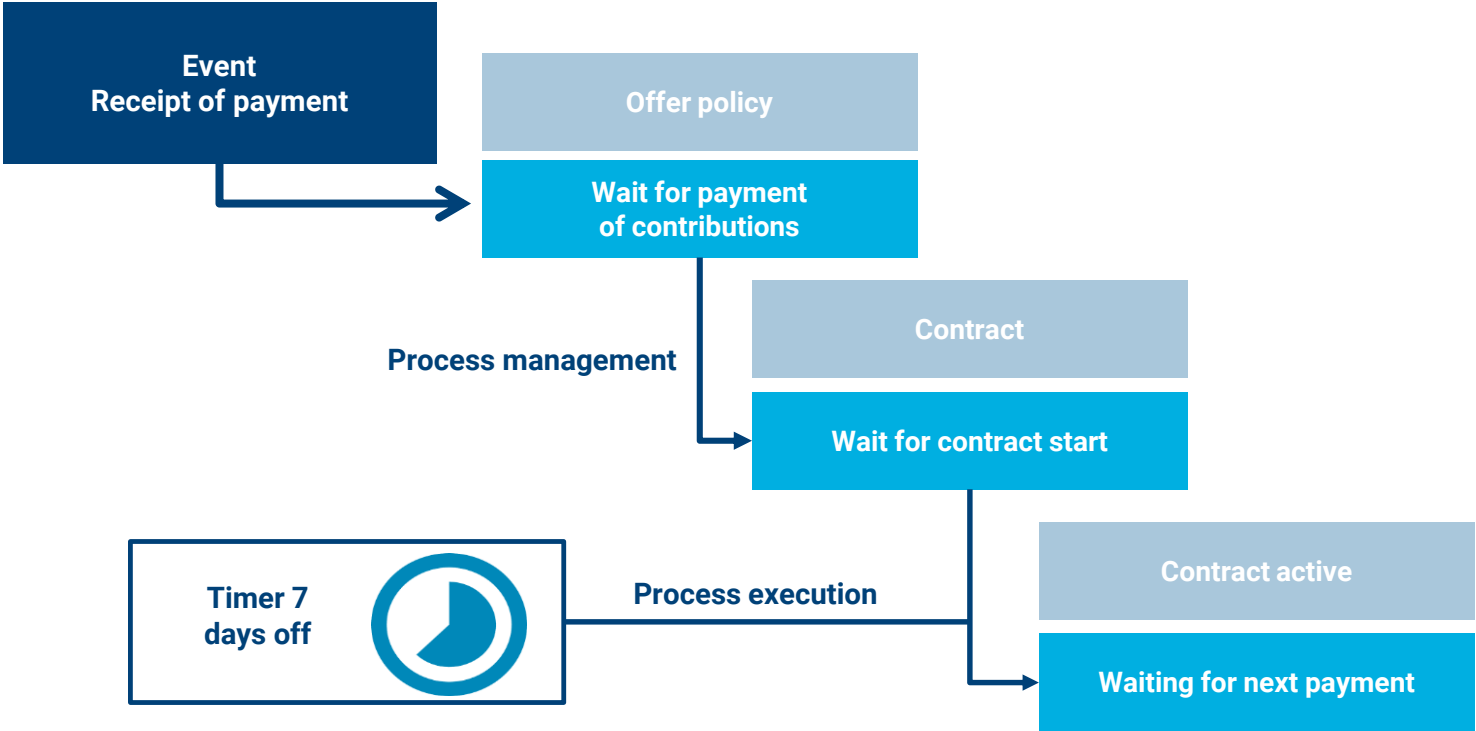
Marcus Wollny
CIO

Technical basis for profitability

Basis for fully automated process execution

Event processing and process execution in our IT systems

Excellent processes lead to high automation and high customer satisfaction!



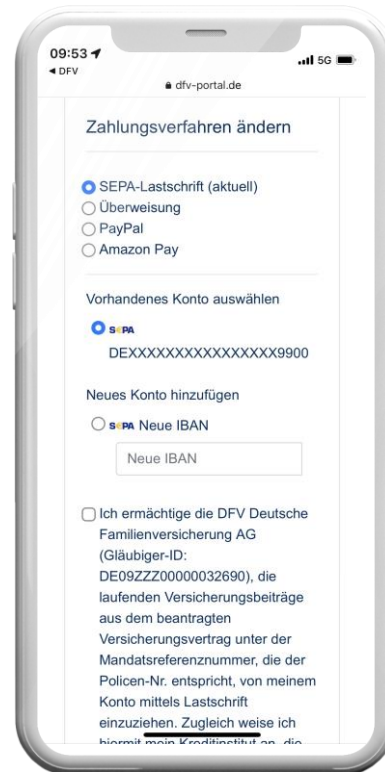
IT's contribution to profitability

It is simple for customers and cost-efficient for us

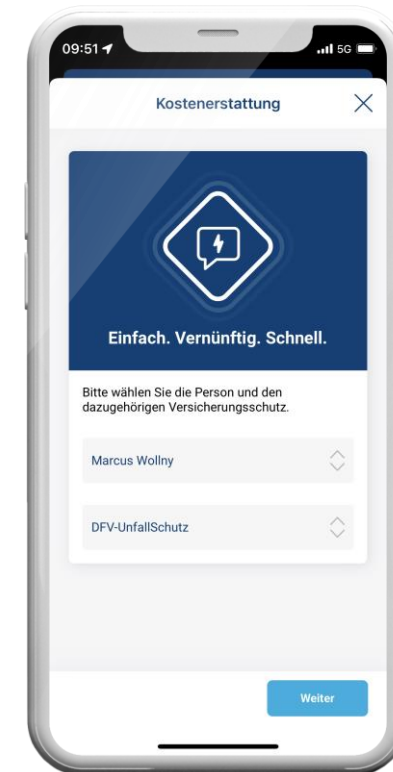
Thanks to our automated IT solutions



Insurance take out



Contract amendment



Claims management

The efficiency begins with the signing of the contract

90% of all contract conclusions are processed fully automatically



1 employee



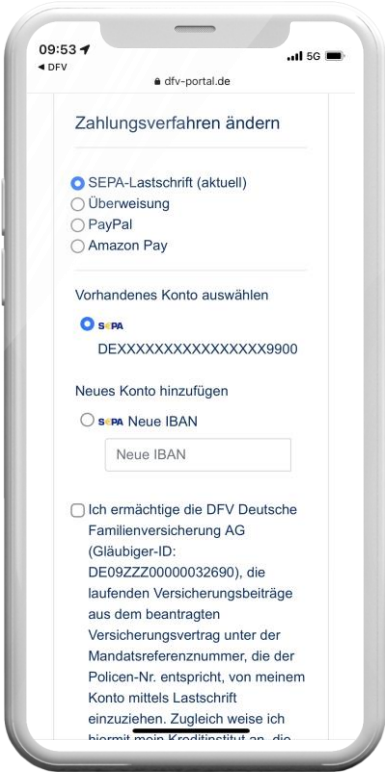
100,000 contracts



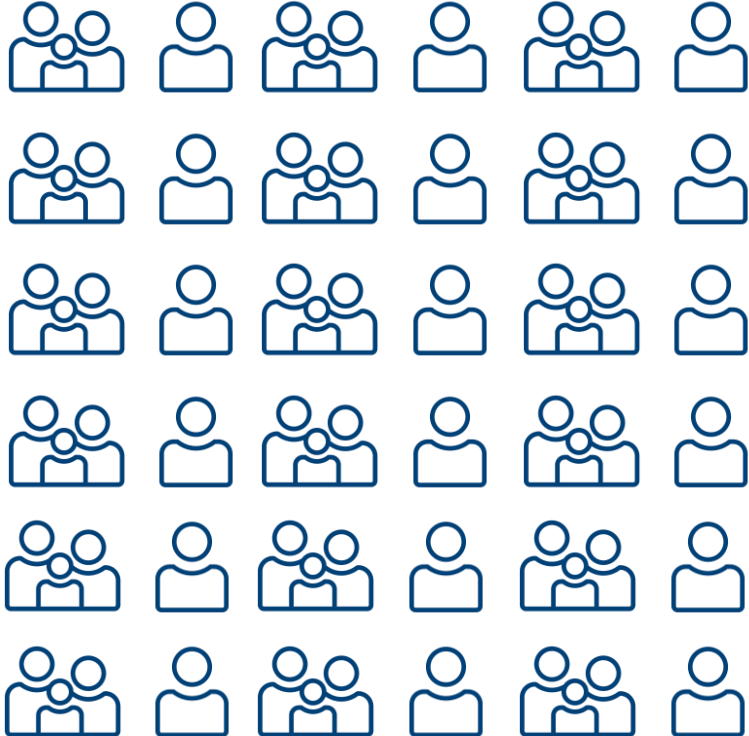
Response time < 3 min.

Goes on with the contract changes

80% of all payment/personal data changes are handled by the customer



1 employee manages the total portfolio of 579,310 customers.



Response time < 3 min.

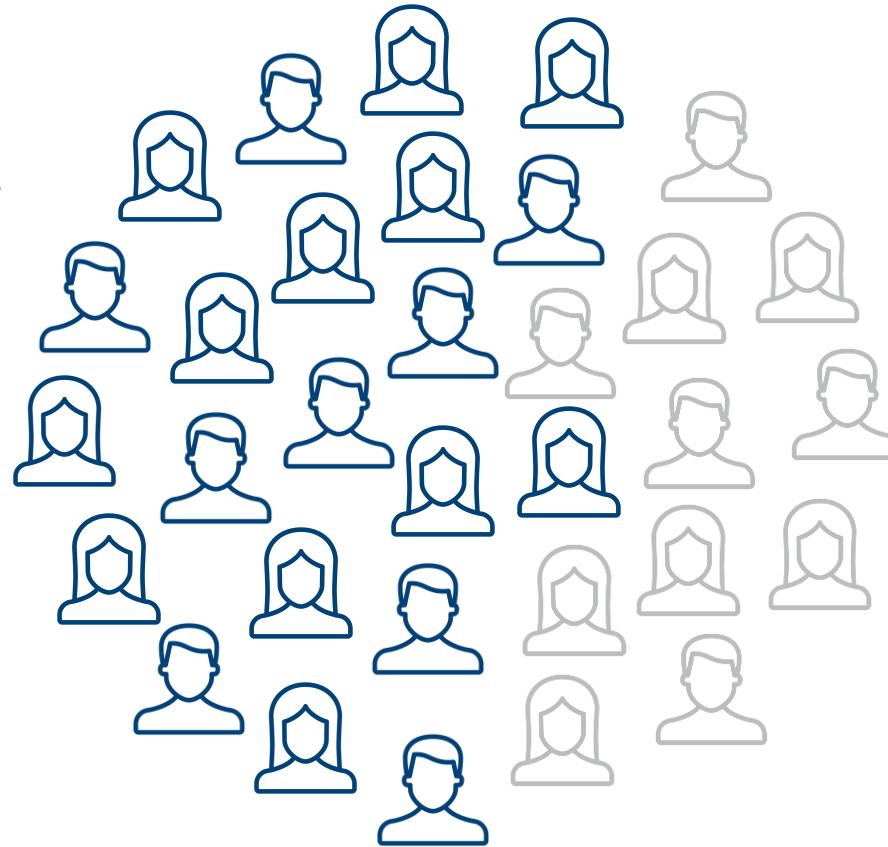
And ends with claims processing

44% of all claims are currently processed fully automatically



Response time < 3 min.

48 employees
process over
250,000 claims...

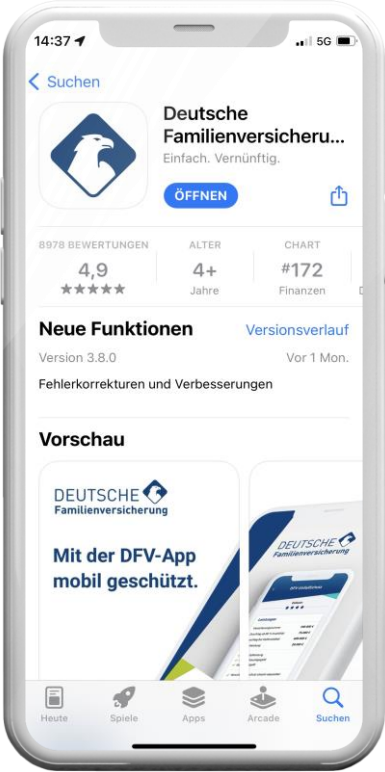


...instead of 86 employees.
Our automation rate
corresponds to 38 employees!

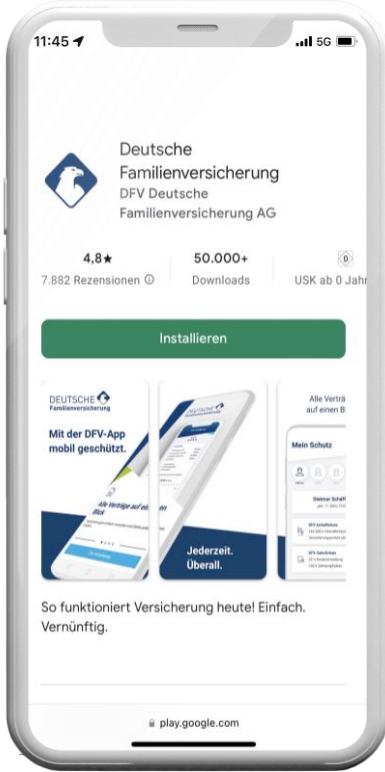
Satisfied customers do not cancel policies!

Fast response times and excellent processes lead to high customer satisfaction

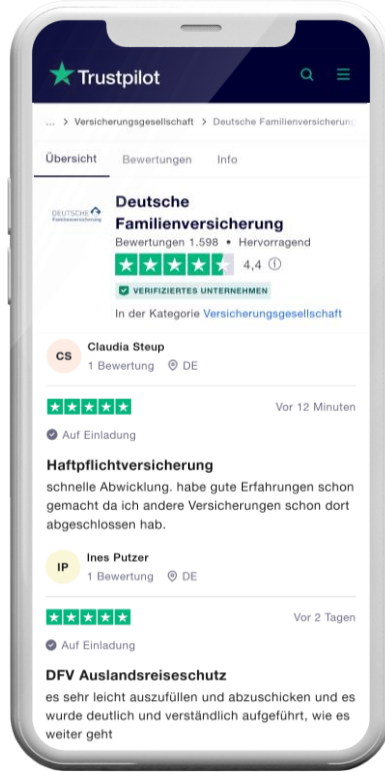
4.9 / 5 



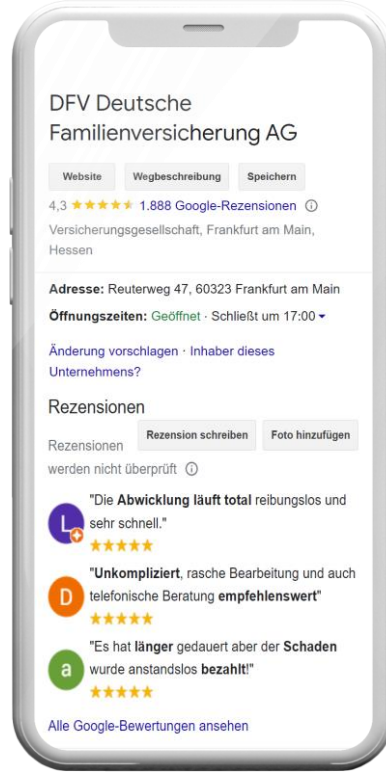
4.8 / 5 



4.4 / 5 



4.3 / 5 



Summary

Top class in an industry comparison - normal for us

- Event-based process processing is the foundation of automation
- Fully automated process processing significantly above the industry average of 20.01%
 - **90%** of all new insurance contracts
 - **74%** of all payment / personal data changes
 - **44%** of all claims reports
- Reduction of contract terminations due to high customer satisfaction



Hyrance AG

Alois Knoll
Head of Chair for Robotics, Artificial Intelligence and
Embedded Systems at TU Munich

More complexity, increasing costs and higher customer expectations

01

Increasing pressure on margins due to permanent **increase in (regulatory) complexity**

02

Rising costs of human capital or shortage of human capital

03

Increased expectations of customers regarding the quality of service, the processing speed of all process steps and the ability to be fully “online capable”, especially on the part of younger customers (“digital natives”)

Solution: Extensive automation

01

Automation of internal processes

Ideally, in the future, processes from the conclusion of a contract to the assessment of claims to the payment of the claim amount to the policyholder can be processed fully automatically

02

Fully automatic products

With digitalisation, new risks and new classes of claims will arise that would not be insurable with conventional methods, or for which the classic insurance effort would be too great

03

Adapted business process architecture

Enables very short decision-making times ("I just want to take out insurance for this!") and very short contract durations (in extreme cases, only for a few minutes, e.g. when crossing a dangerous intersection)

04

Internal process world & customer interface

The connection of the internal process world with the customer interface (via web technologies) enables maximum transparency

Business goals: Software-centric insurance company

01

Leading provider of:

- SaaS (Software-as-a-Service)
- IaaS (Infrastructure-as-a-Service)
- PaaS (Platform-as-a-Service)

for all insurance companies that want tap the potential of digitalisation to streamline the existing and build new business models

02

Real-time communication with customers

Responses to customer requests in real time, such as unlimited scalability (dependent only on the computing power provided)

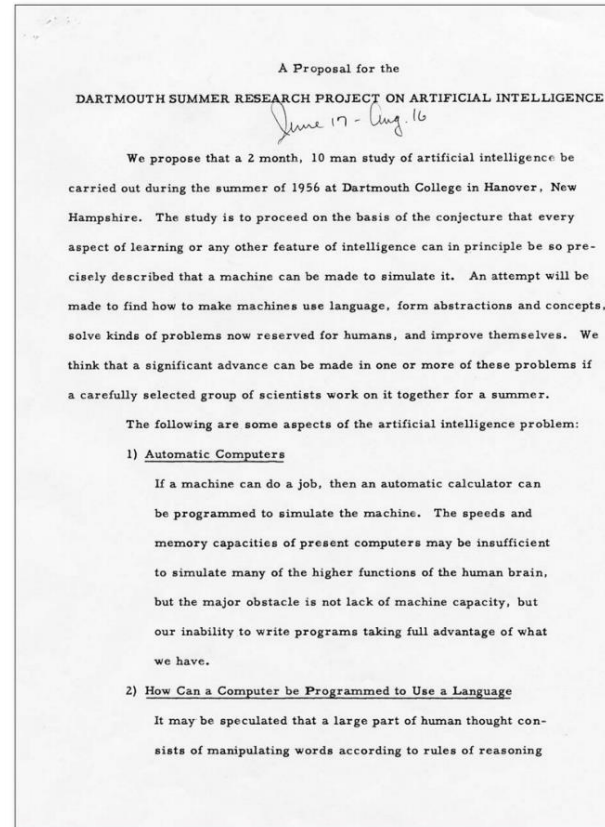
Requirement:

Ongoing close relationship
of the company with international
research institutions

Definitions: Artificial intelligence and hyperautomation

Artificial Intelligence, 1956: The Birth of a New Discipline

- Automatic Computers
- Natural Language Processing
- Neural Networks
- Theoretical considerations about the scope of computer operations
- Self-Improvement
- Abstractions
- Randomness and Creativity



Page 1 of the Original Proposal.

Photo courtesy Dartmouth College.



Photo: Margaret Minsky

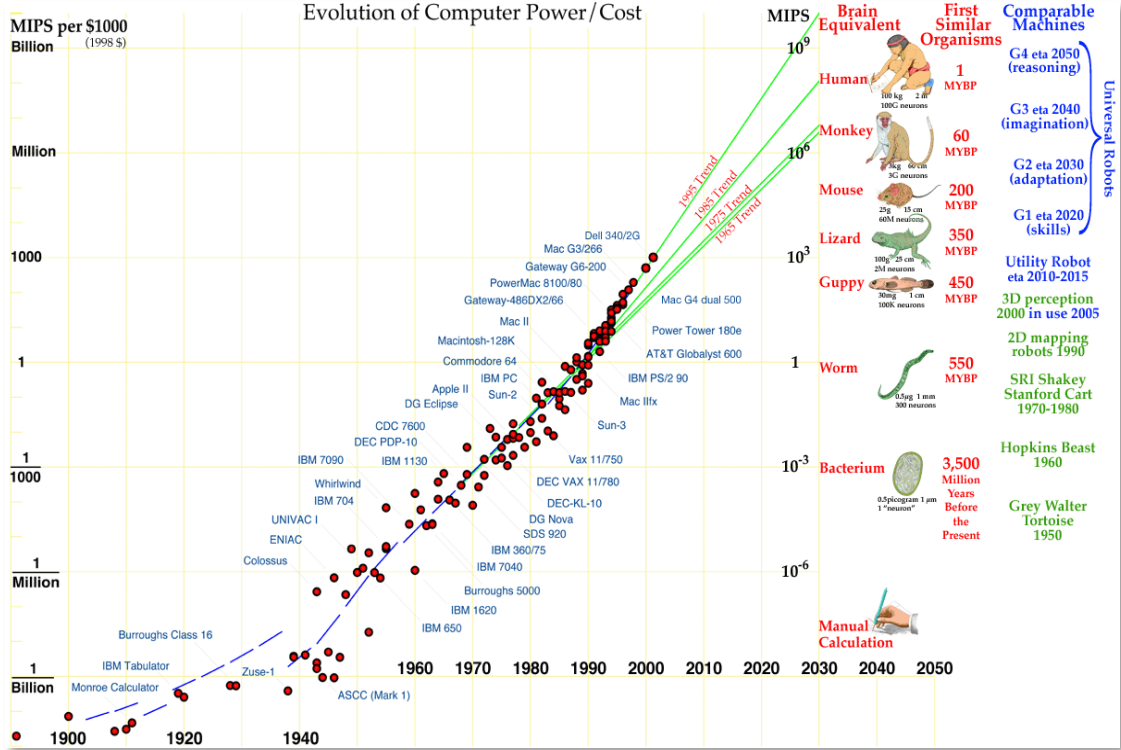
Photo: ORF/RTL/FOX

Our definition of artificial intelligence

Targeted transfer of certain human cognitive abilities, for a sharply defined area, to computers. We benefit from technology innovation in these areas:

- processors,
- memory,
- communication and
- software technology

Reality today:
Frontier, OE/SC/Oak Ridge National Laboratory
1,102 ExaFlop/s (2022)



„Rise of the Robots” by Hans Moravec. Scientific American December 1999, pp.124-135

Our definition of hyperautomation

Hyperautomation is a business-driven, disciplined approach that organizations use to rapidly identify, vet and automate as many business and IT processes as possible. Hyperautomation involves the orchestrated use of multiple technologies, tools or platforms, including:

- Artificial Intelligence (AI)
- Machine Learning
- Event-driven software architecture
- Robotic Process Automation (RPA)
- Business Process Management (BPM) and intelligent Business Process Management Suites (iBPMS)
- Integration Platform as a Service (iPaaS)
- Low-code/no-code tools
- Other types of tools for automating decisions, processes and tasks

Top Strategic Technology Trends for 2022



Data Fabric



Composable Applications



Distributed Enterprise



Cybersecurity Mesh



Decision Intelligence



Total Experience



Privacy-Enhancing Computation



Hyperautomation



Autonomic Systems



Cloud-Native Platforms



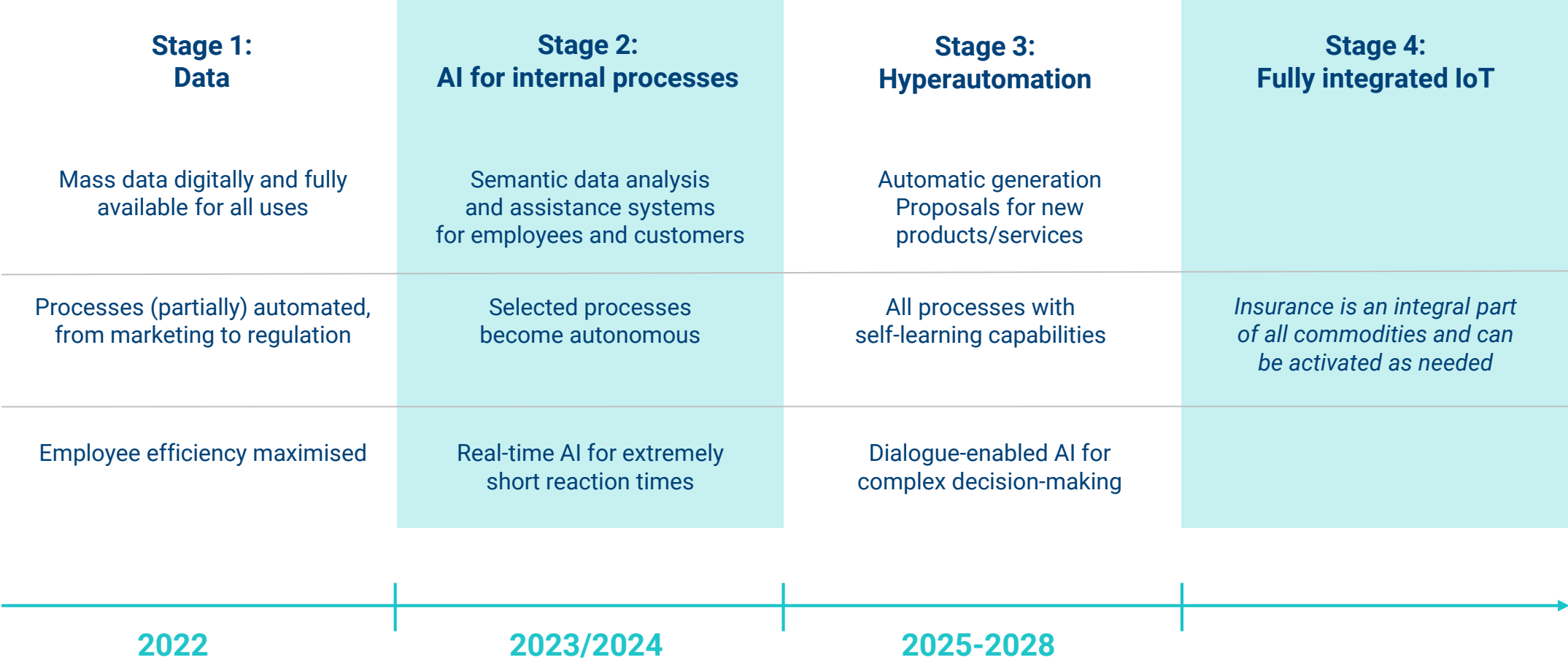
AI Engineering



Generative AI

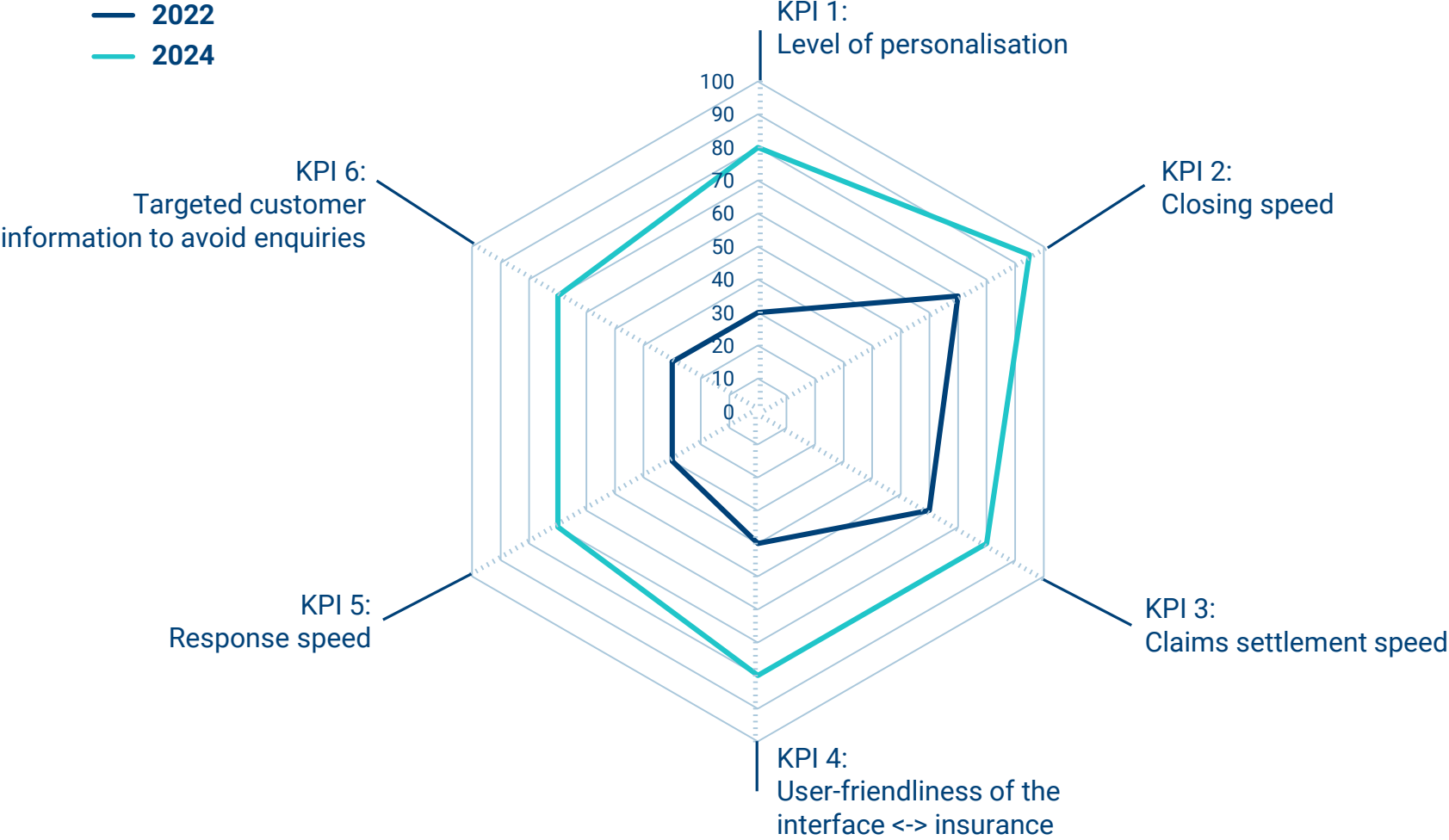
* Source: Gartner inc 2021 and/or affiliates.

Development stages of Hyrance AG



Expansion of the personalisation of insurance solutions

Customer metrics and overall goals



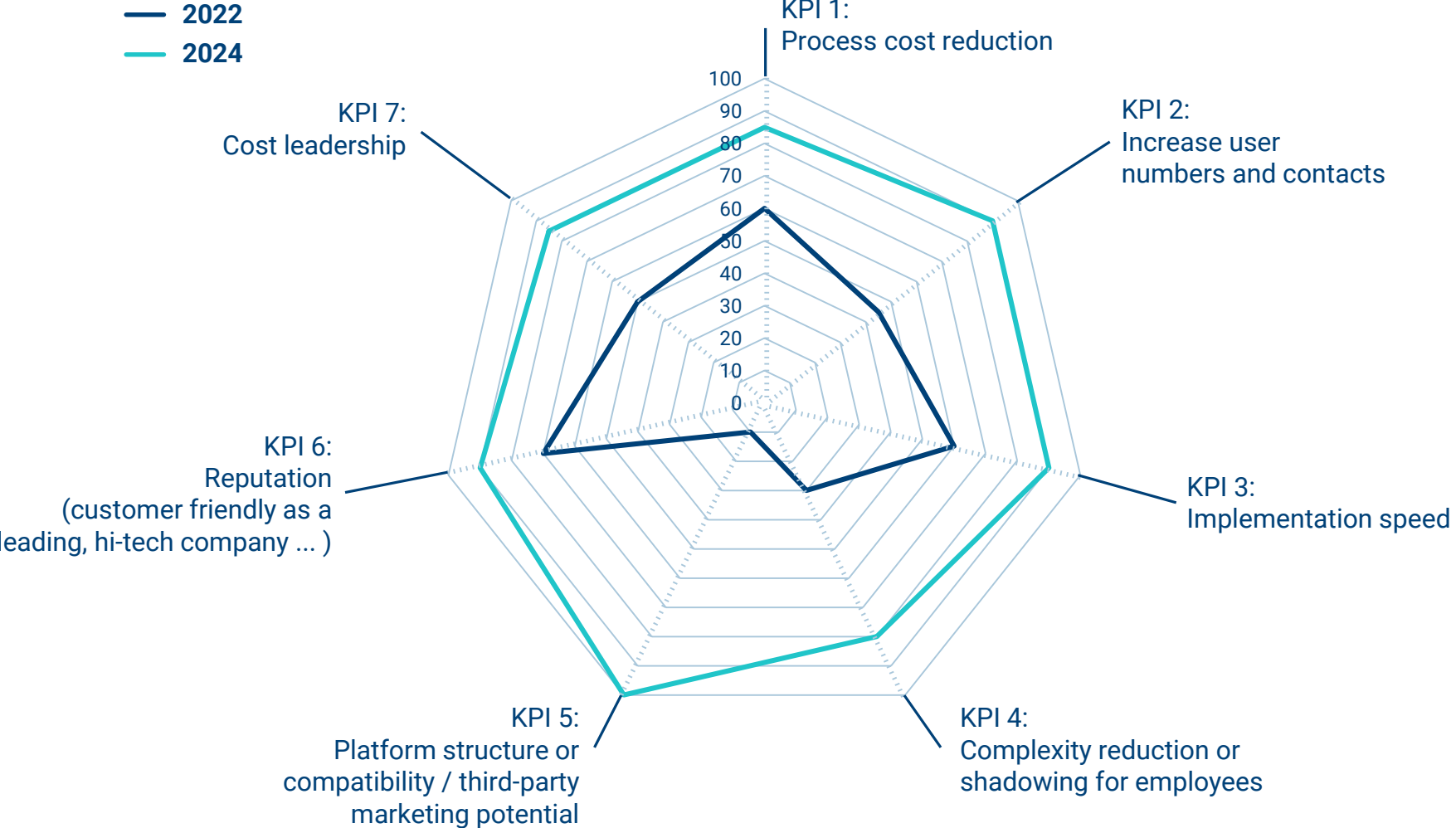
Personalisation:
Optimal matching of insurance packages and settlement requirements to meet customer needs

Dialogue orientation:
Autonomous complex decision-making with (potential) customers

Internet-of-Things (IoT):
„Embedded Insurance“ – Insurance and its performance increasingly integrated into services/objects/processes of everyday life

Expansion of platform connectivity and complexity reduction

Investment metrics and overall objectives



Personalisation:
Optimal matching of insurance packages and settlement requirements to meet customer needs

Dialogue orientation:
Autonomous complex decision-making with (potential) customers

Internet-of-Things (IoT):
„Embedded Insurance“ – Insurance and its performance increasingly integrated into services/objects/processes of everyday life

Summary

- Hyrance AG and Deutsche Familienversicherung become groundbreaking leaders in all those areas that can be automated by complete transfer to computers
- Hyrance AG supplies the highly scalable solutions to enable third parties to acquire new customers and service all customer groups
- Hyrance AG is currently the sole provider of the IT / AI infrastructure - the operating system - for "software-centric insurances and products"
- Hyrance AG continues to extend its lead by intensifying cooperation with universities/research institutions



News from Sales

Ansgar Kaschel
CSO

What do I stand for?

Personal review

Which sales reality do I come from

2015-2019

Head of Direct Marketing and Online Sales at DFV

- Every year doubling of new business
- Every year sales with surplus (< 12 MB) after 12-month lapse analysis
- Absolute dominance in online campaign management
- Permanent conversion rate optimisation
- Introduction of customer centricity and permanent optimisation of the customer journey

2019-2022

Head of sales at a market companion

- Record new sales in the money in all sales channels in 2020
- Record new sales in the money in all sales channels in 2021

I stand for

Growth with profit

Growth with profit

Focus on profitability with simultaneous high campaign pressure

- Growth through dominant campaign management
- Profitability through adherence to the 12 MP rule
- Permanent controlling of all measures
- Permanent optimisation of all sales activities
- No build-up or continuation of unprofitable activities or partnerships

I stand for

Dominant campaigning

What does "dominant campaigning" mean?

Maximum campaign pressure under permanent conversion rate optimisation

Using the example of search engine marketing (SEA):

- Using maximum campaign pressure to make the advertising environment uneconomical for market competitors
- Exploit our own performance superiority
- Permanent optimisation of campaigns, conversion rates, the customer journey and the sales funnel
- All with the aim of making the generation of contracts is only profitable for DFV

What is important to me?

Unconditional

Customer Centricity

The customer and the customer's needs are the focus of all our actions.

Customer Centricity

The customer in the spotlight

- DFV was a pioneer and trendsetter for an entire industry when it came to customer centricity
- But Customer Centricity must also be lived anew every day by every employee
- Because our claim "Simple. Sensible." was not just a claim, but at its core a commitment to us, the employees of DFV

Simple. Sensible.

Simple! Sensible!

Simple. Sensible.

Benchmark of all our actions

- Mission statement and self-monitoring
- Review of **all** measures
- Review of **all** communication elements
- Because everything that is not **simple** and **sensible** has to be optimised again

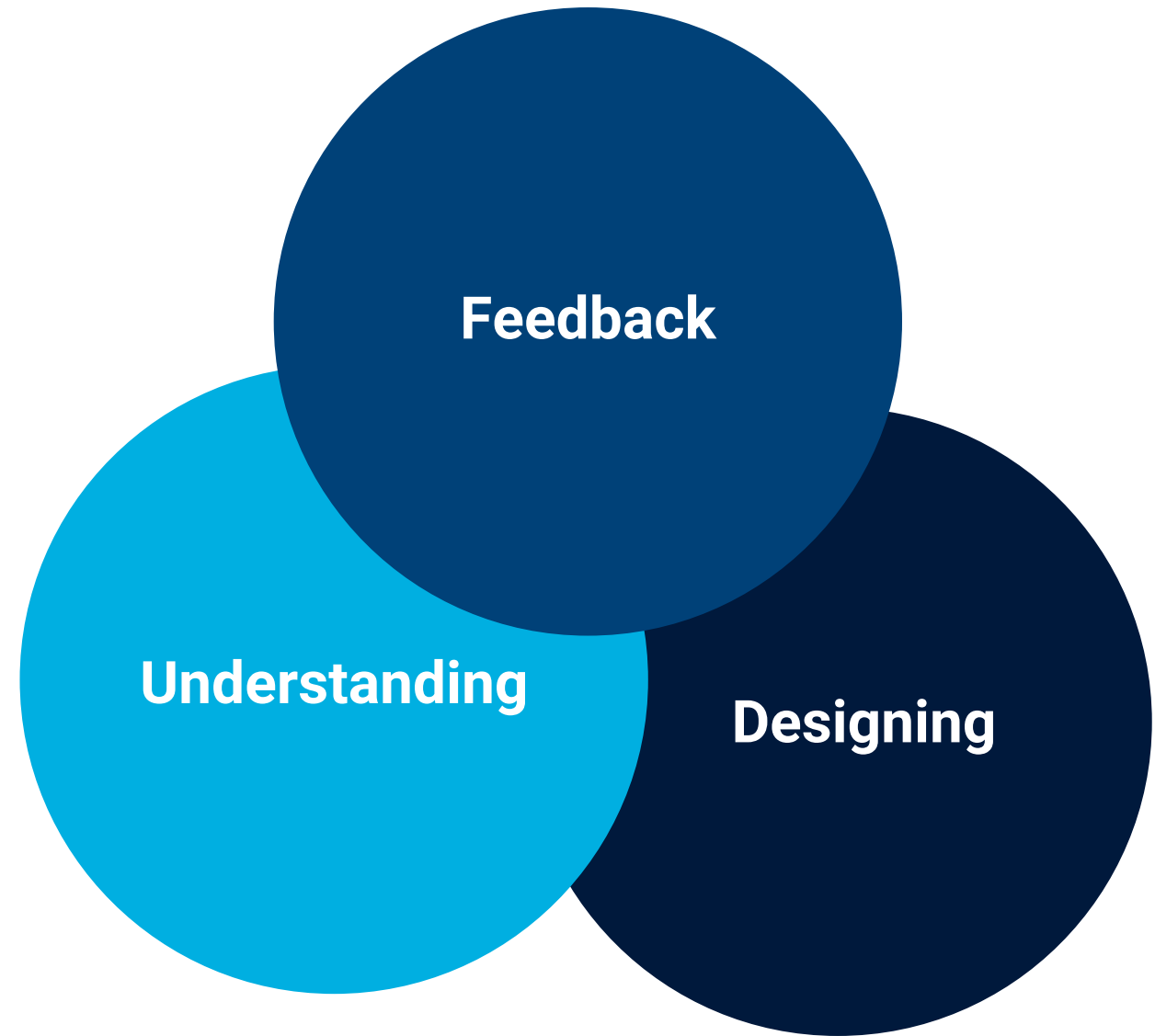
Customer Centricity

Positive customer experiences as the key to success

Only customers with positive customer experiences also take out insurance online.

We will live Customer Centricity:

- Every day!
- With enthusiasm!
- With conviction!



Marketing

Restructuring marketing

Building core competencies

- New head of department
- Establishment of an own creation department
- Establishment of an in-house campaign management
- Projects and campaigns are mainly implemented in-house again and only partially supported externally
- Successes like TikTok prove that this is the right way for us

Sales channels

Scalable sales channel mix

Profitable, visible and reliable

01

Direct sales

Profitability & potential

02

Online sales

Dominance & advantage

03

DRTV

Brand & reach

04

Broker sales

Partnership & stability

Scalable sales channel mix

Profitable, visible and reliable

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Direct sales: Profitable basis

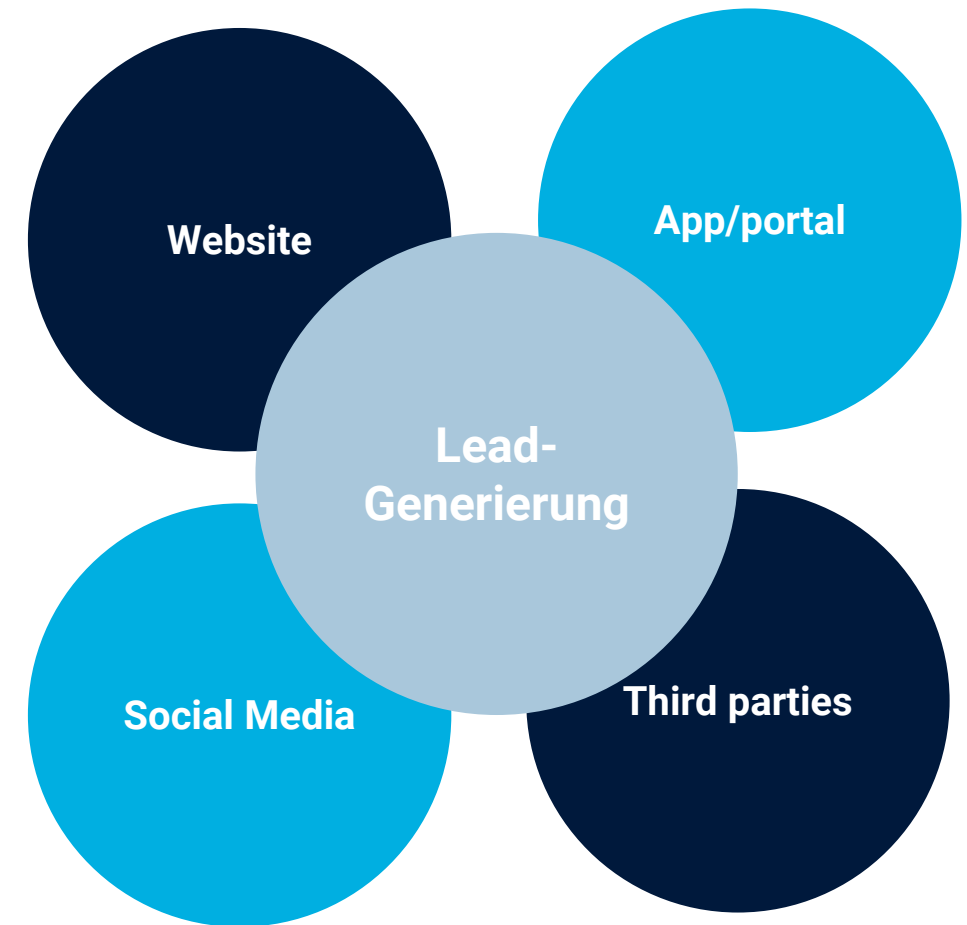
Profitability through direct telephone sales

- Most profitable sales channel
- Qualified customer advice
- Introduction of a modern CRM
- Optimisation of cross- and up-selling
- Project "Limburg"

Direct sales: growth strategy

Growth through lead generation in the "Limburg" project

- Generation of customer enquiries (leads)
- Via own channels such as
 - Website
 - App and portal
 - Social Media (Facebook, Instagram, TikTok)
- Acquisition of leads via third parties



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Partnership & stability

Online sales

Leading through technical superiority

- Largest and most important sales channel
- The main channel of DFV sales
- Expression of our technical superiority

The DFV website sets standards

By meeting customer requirements

- Centrepiece of online sales
- Highest-performing website in the insurance industry
- Extremely fast application lines
- Alternative forms of payment
- Usability template for the entire insurance industry



Further development of the DFV website

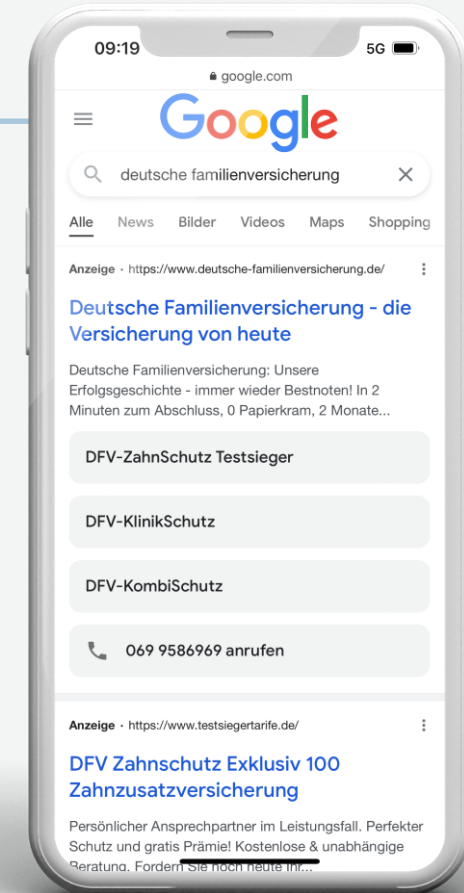
Strengthening relevant visibility on the internet

- Third highest visibility in the insurance industry
- But: Visibility alone does not sell insurance
- Optimising the customer journey

1. Allianz 

2. ERGO

3. DEUTSCHE 
Familienversicherung



Optimising the customer journey

Through perfect presentation of the product features

- Header
- Performance area (product matrix) with CTA
- Content and value-added communication
- Contract documents



Optimising the customer journey

Through ongoing adaptation to user behaviour

- We know what the customer likes
- We know what information he needs before a deal is made
- We know the optimal order of the website modules and can adapt them at any time
- We permanently optimise the content for our customers



Optimising the customer journey

Through ongoing adaptation to user behaviour

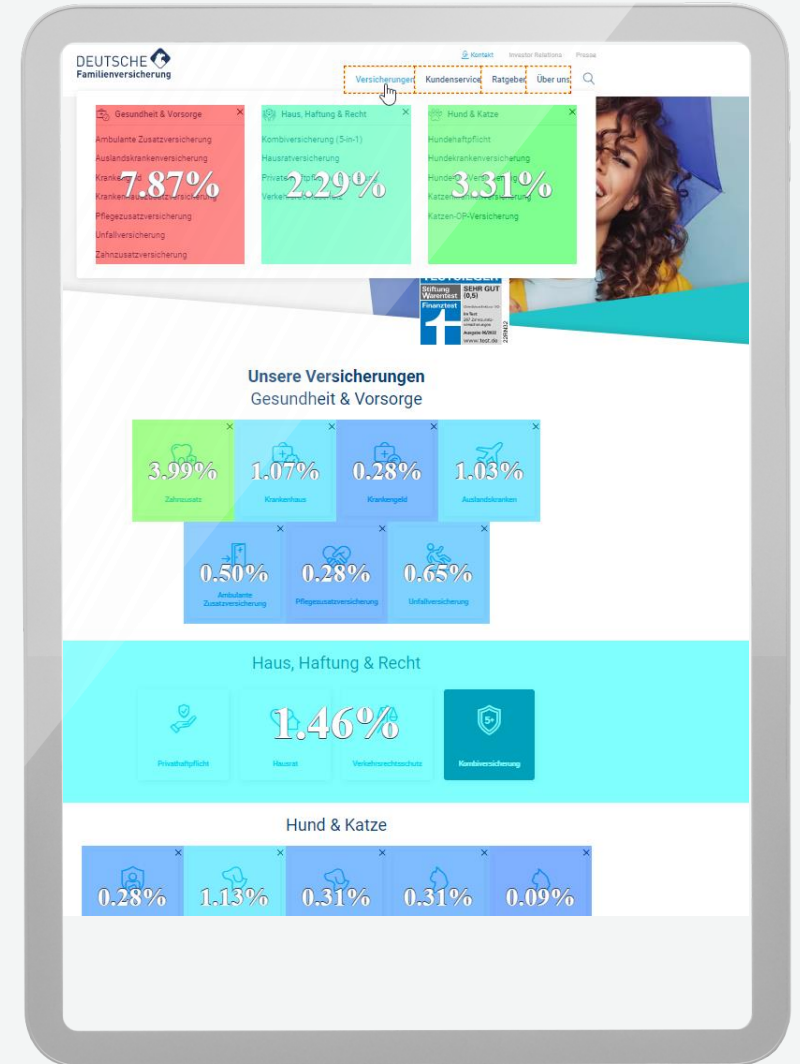
- We even sort the FAQs according to the click behaviour of our website visitors
- The customer gets the right information at the right time in the right place on the website



Optimising the customer journey

Through ongoing adaptation to user behaviour

- We know the customer attractiveness of every single element on our website
- We know the behaviour of "converting" visitors
- We know the behaviour of "non-converting" visitors
- Through permanent optimisation we change the ratio in our favour
- **More sales through customer centricity**



This is how successful online sales work today

Fast, simple, sensible



Only 2 minutes

Complete online without
complicated questions



No waiting times

Immediately protected from
desired date



Daily termination

End insurance cover
whenever you want



Test-winning tariffs

Awarded by
independent companies

And who does all this?

We have the core competencies in house

- **We** create the marketing campaigns
- **We** manage and optimise the campaigns
- **We** optimise the customer journey
- **We** optimise the sales funnel
- **We** optimise the website
- **We** live Customer Centricity
- **We** do it because **we** can!

Scalable sales channel mix

Profitable, visible and reliable

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DRTV

Brand & reach

04

Broker sales

Partnership & stability

Reach through DRTV

Cooperation with Pro7Sat.1

- Co-operation with a wide reach
- Optimisation of the cooperation
- Development of an own brand strategy
- Branding via TV for Deutsche Familienversicherung from 2023 onwards

Branding via TV from 2023

DFV's re-entry into TV advertising

- Entry into TV advertising
- Focus on own brand "Deutsche Familienversicherung"
- Significant increase in brand awareness
- Launch of brand campaign Q1 2023



Scalable sales channel mix

Profitable, visible and reliable

01

Direct sales

Profitability & potential

02

Online sales

Dominance & advantage

03

DRTV

Brand & reach

04

Broker sales

Partnership & stability

Reliable partner for brokers

Innovative expansion of digital broker support

- Further expanding broker sales
- Digitisation of the brokerage business
- Easier connection through the introduction of "BiPRO"
- Development of an online platform for campaigns

Digitalisation for brokerage

Optimisation of data exchange with "BiPRO"

- We no longer want paper applications
- Introduction of "BiPRO"
- This will enable us to reach more sales partners
- New partners can be quickly connected completely digitally

Campaign tool for brokers

Building an online platform for campaigns

- Campaign offers for campaigns in the brokers' portfolio or region
 - Mailing
 - E-Mailing
 - Out-of-Home (OOH)
 - Display
 - And more

Summary

Growth with profit

- Above-average growth
- High cost discipline through compliance with the 12 MP rule
- Expansion of technical superiority
- Unconditional customer centricity
- Expansion of direct and broker sales
- Entry into TV advertising



Outlook & Summary

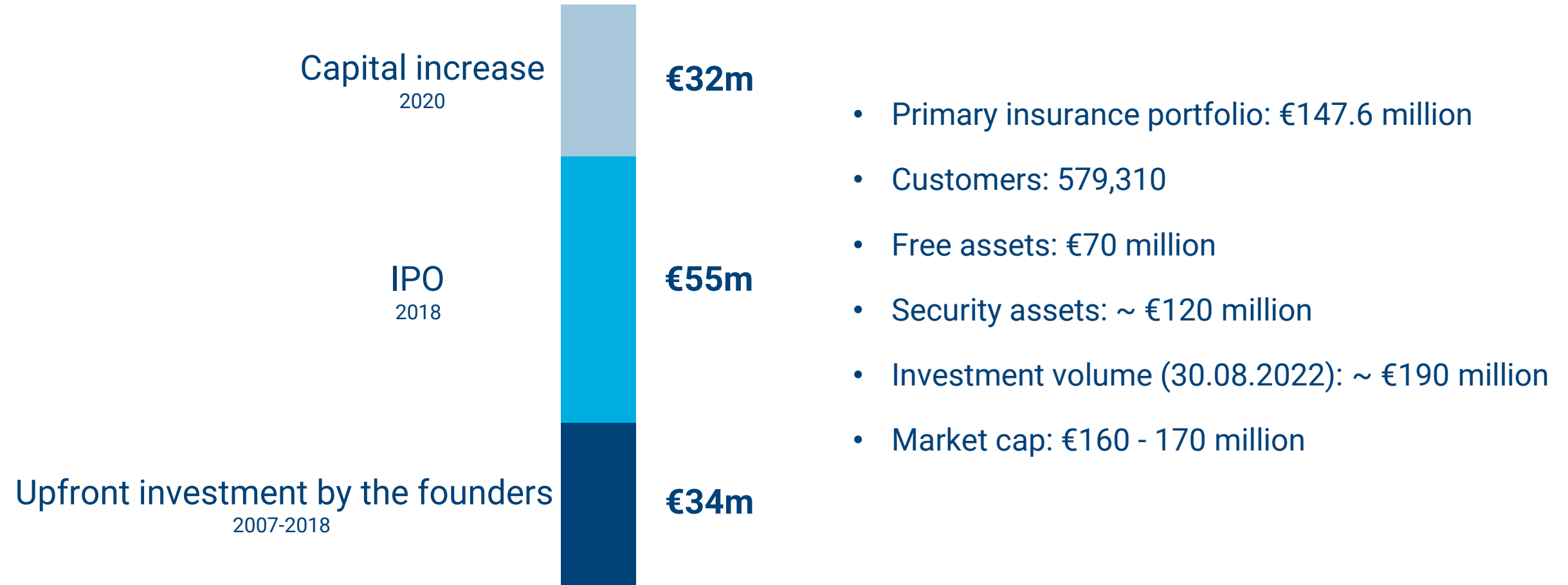
Stefan Knoll
CEO

Our goal: to make money through, not with, the company

We have worked quite conservatively towards the profitability of Deutsche Familienversicherung since its foundation and actually achieved this in 2012, 2013, 2015, 2016 and 2017.



What was invested and what we achieved



15 years of success in a distributed market

We have



The best
insurance
products



The shortest
contract
closing



The highest
degree of
automation



A working
capital
investment



A
sustainable
organisation

We are growing above average and are profitable

Truth also includes

- The sales costs were too high
- Existing customer marketing (ECM) was not in place

Since 01.02.2022, we focus on:

- Reaching the 12 MP rule again
- Cancellation reduction through ECM
- That is why we have launched Project 22



No cherry picking

Fully accepting the challenge



P&C insurance

Legal protection

Health insurance

Long term care

Reinsurance

wefox  nexible

Adam Riese

ottonova

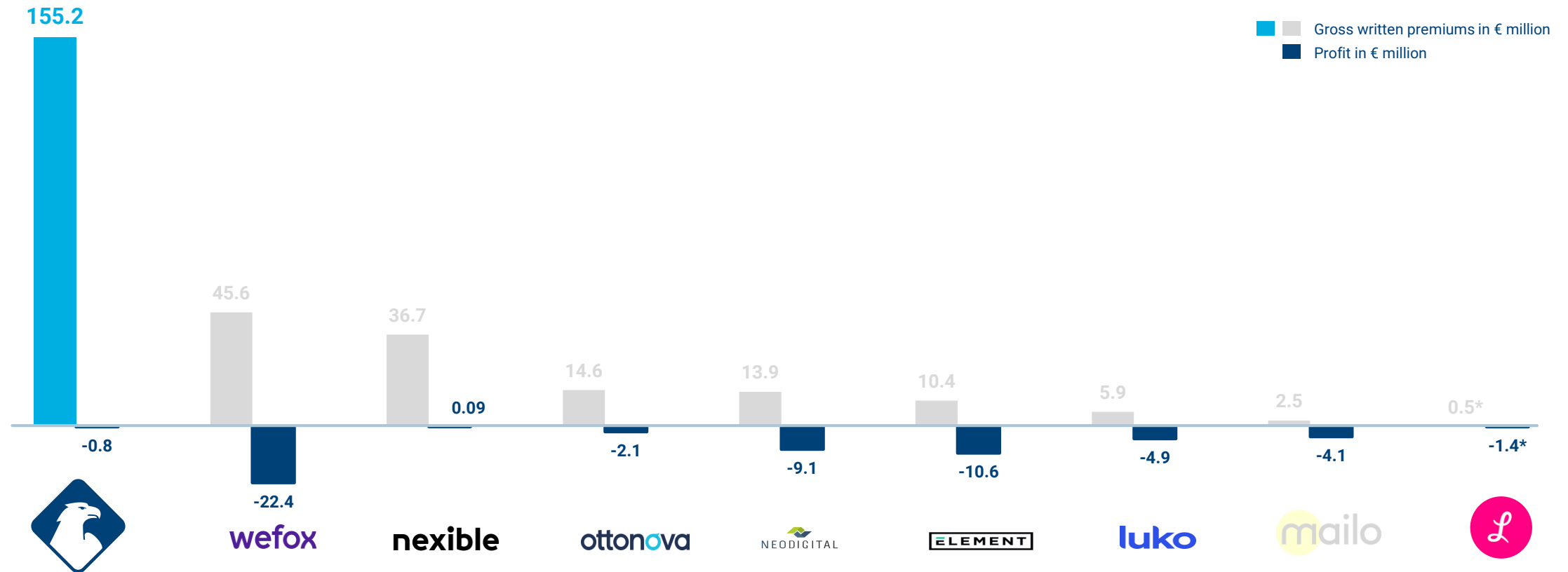
NEODIGITAL 

 GETSAFE

luko

We lead the InsurTech movement

Gross written premiums and profit in € million 2021



* Gross written premiums refer to business in Germany.
Loss of Lemonade's entire European business in Germany, the Netherlands and France.

Source:
SFCR report / annual report of the respective company and media reporting e.g. Versicherungsmonitor.

We are in good company in the Prime Standard

tal anx.
Foundation: 1996
HDI Foundation: 1903

hannover **re**[®]
Foundation: 1966



Foundation: 2007

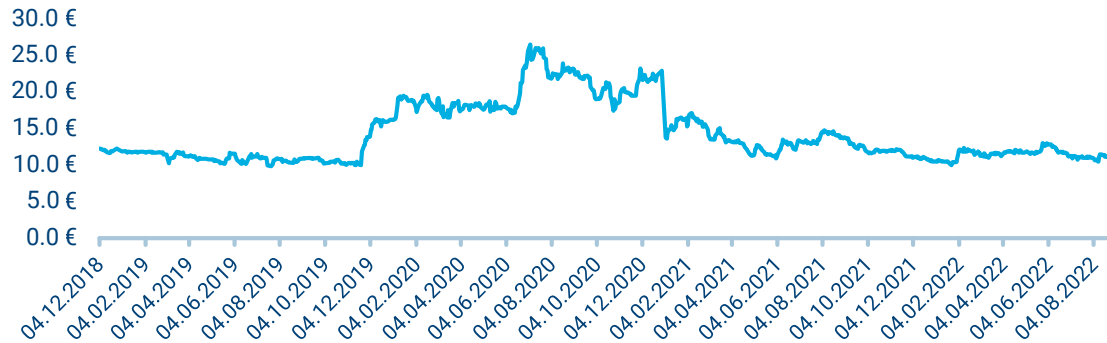
Allianz 
Foundation: 1890

Munich RE 
Foundation : 1880

We are no longer a start-up

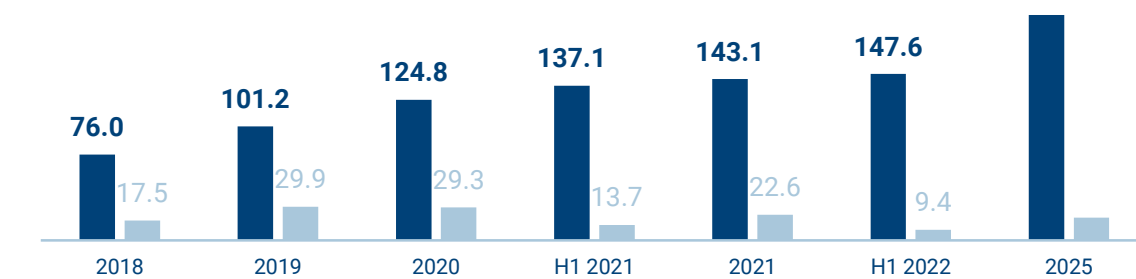
The share price does not reflect our achievements

Share price development since IPO



Current premiums for one year & new business of primary insurance in €m

Ø Growth of 10% and a return on investment of 10%



■ Current premiums for one year of primary insurance in €m
 ■ New business of primary insurance in €m

- Above-average growth
- Return to profitability

And what else needs to be said

DFV is carbon-neutral

- Voluntary sustainability report
- Establishment of an ESG Board
- Implementation of Social Conference Frankfurt
- Carbon-neutrality through compensation
- Various individual sustainability measures



Sales is attention

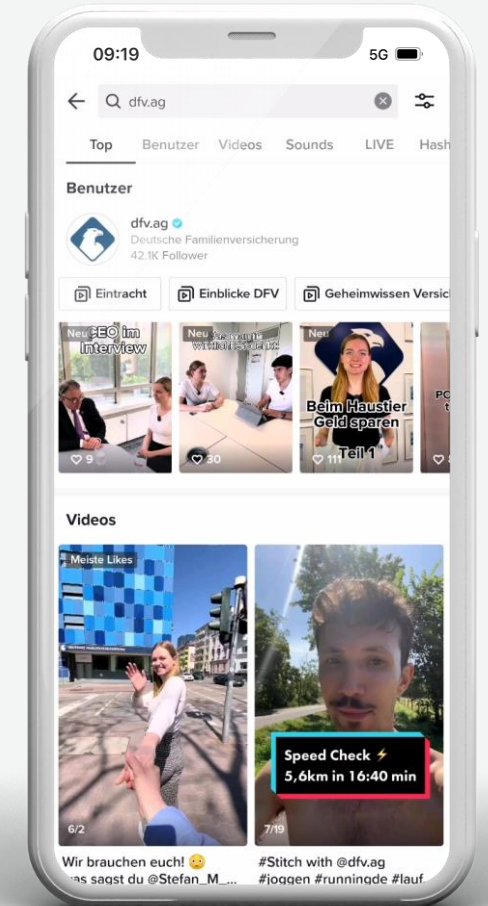
Generating attention is multi-layered

- We have the fastest growing TikTok channel in the insurance industry
- The user groups are expanding and are no longer just focused on young people

> 2,400,000
Views*

206,000
Likes*

43,500
Follower*



* Since start in 03/2022, as of 06.09.2022

Using our reach locally

Public WiFi at all squares in Frankfurt

- We demand free wi-fi in all public places in Frankfurt
- A more digital city is a more attractive city for employees and employers

221,500
Views*

13,500
Likes on TikTok*

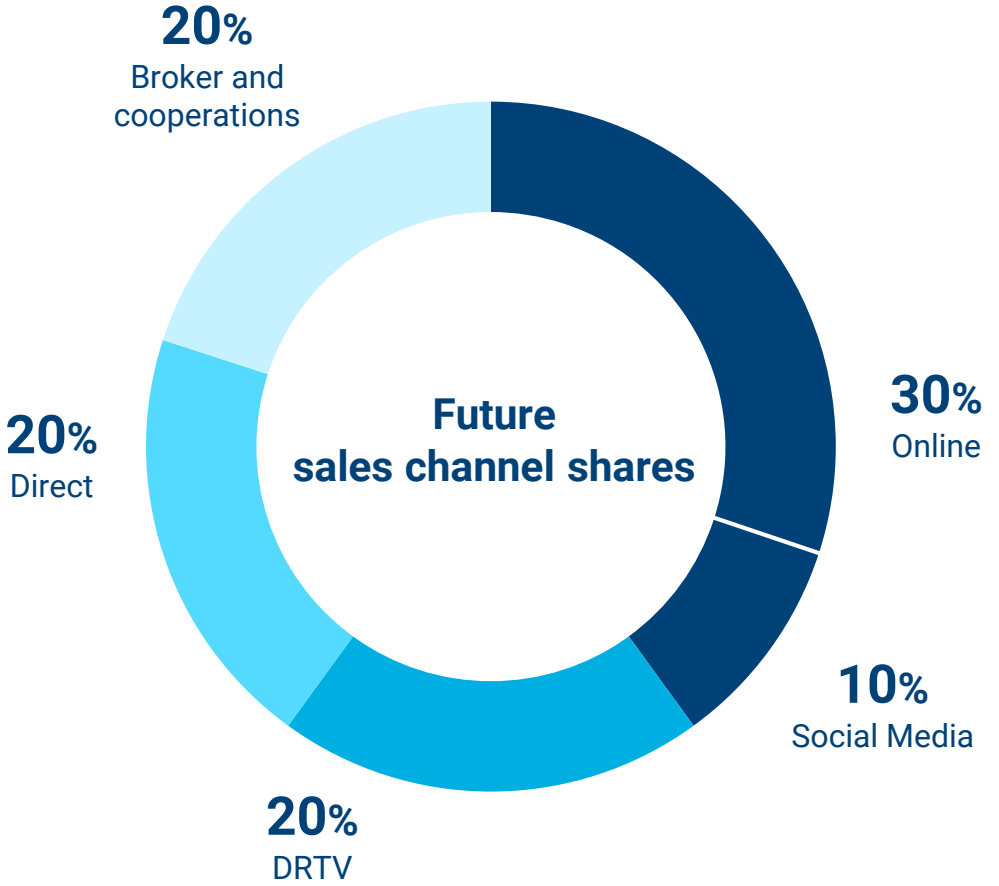
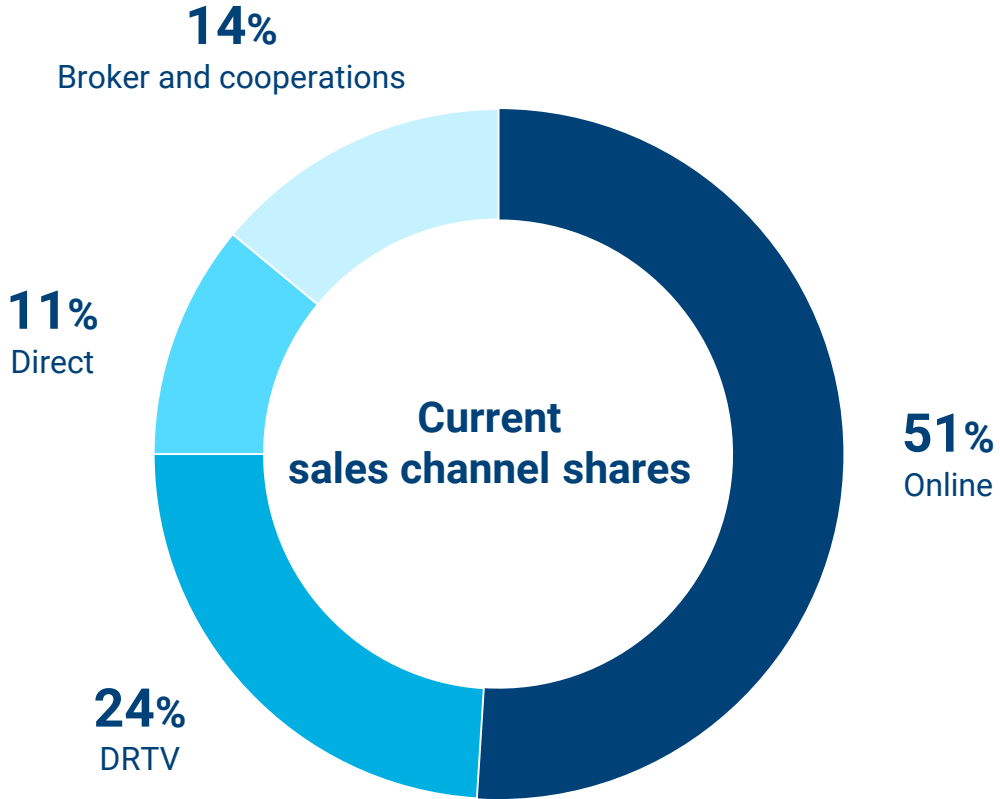


* Call-off figures from 31.08.2022

**Twitch
follows TikTok**

twitch

Sales channels today and in the future



Our partners appreciate that

Experience in cooperations with large companies



ICD code-based claims settlement instead of vague legal terms

How the industry thinks:

PAUKE
(German acronym)

=

A sudden,
from the outside,
involuntary
event

How DFV thinks:

ICD

=

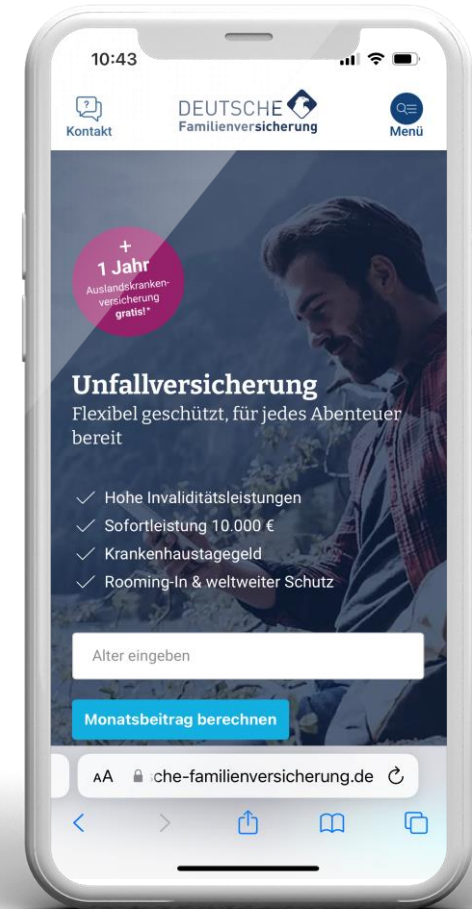
International
Classification of
Diseases

Examples

S81.0 Open wound of the knee

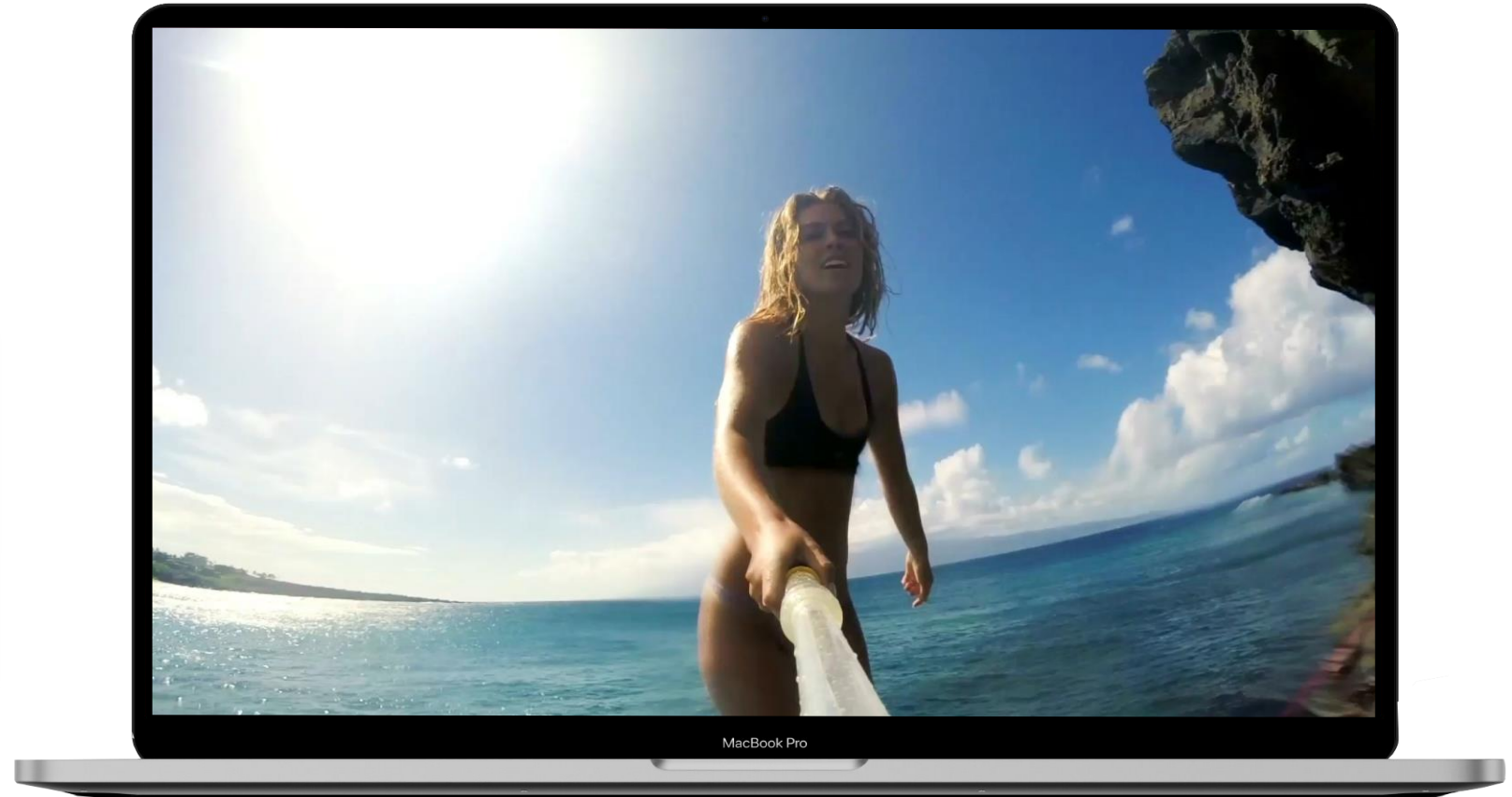
S82.6 Fracture of the lateral malleolus

S87.0 Crushing of the knee



It's all a matter of attitude

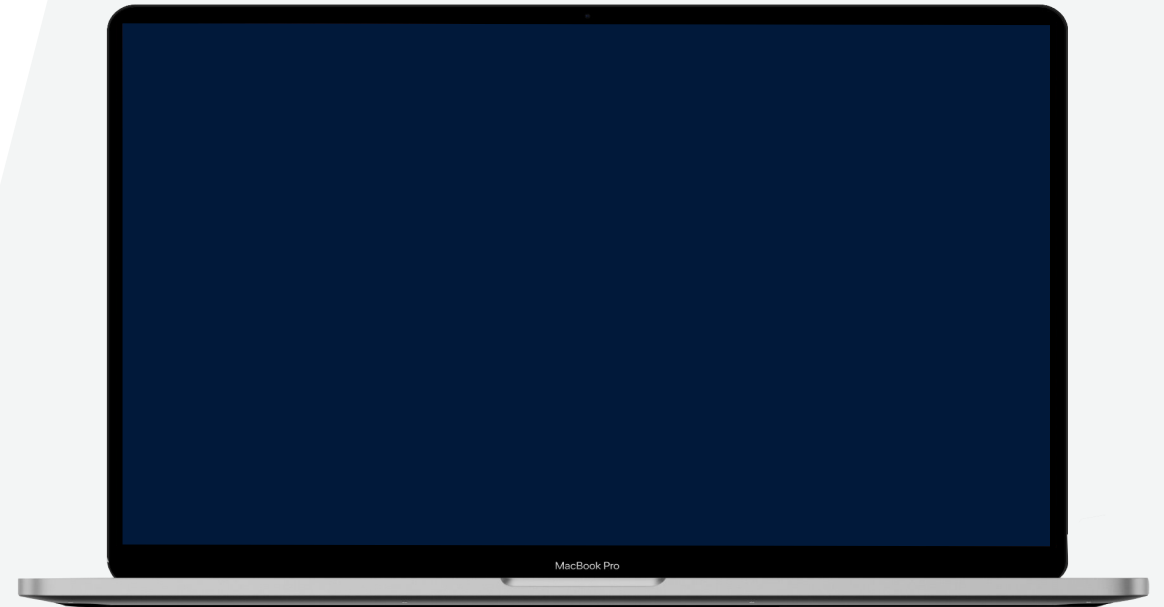
DFV-UnfallSchutz on demand



The shortest contract closing

2 min to close - 10 seconds insured

- Fastest closing in the industry in just 2 minutes
- Simple login procedures such as with Amazon Login, Facebook or Google
- Modern digital online payment methods with Amazon Pay, Apple Pay, Google Pay and Pay Pal



Our app as our own sales channel

The key to a stable customer base

- The DFV app is developing into another sales channel
- 1,368 transactions as of H1 2022 and 6,422 transactions via app since launch
- Customer-oriented push notifications inform about the latest offers and changes
- Telephone contact as a fixed component of existing customer management to prevent cancellations

Over 119,000 installations

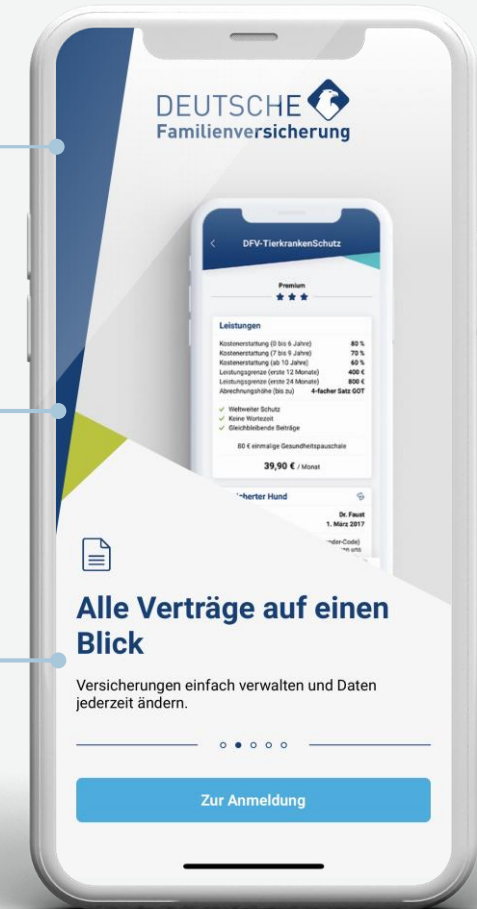
IOS: 65,000
Android: 54,000

Over 275,000 invoices

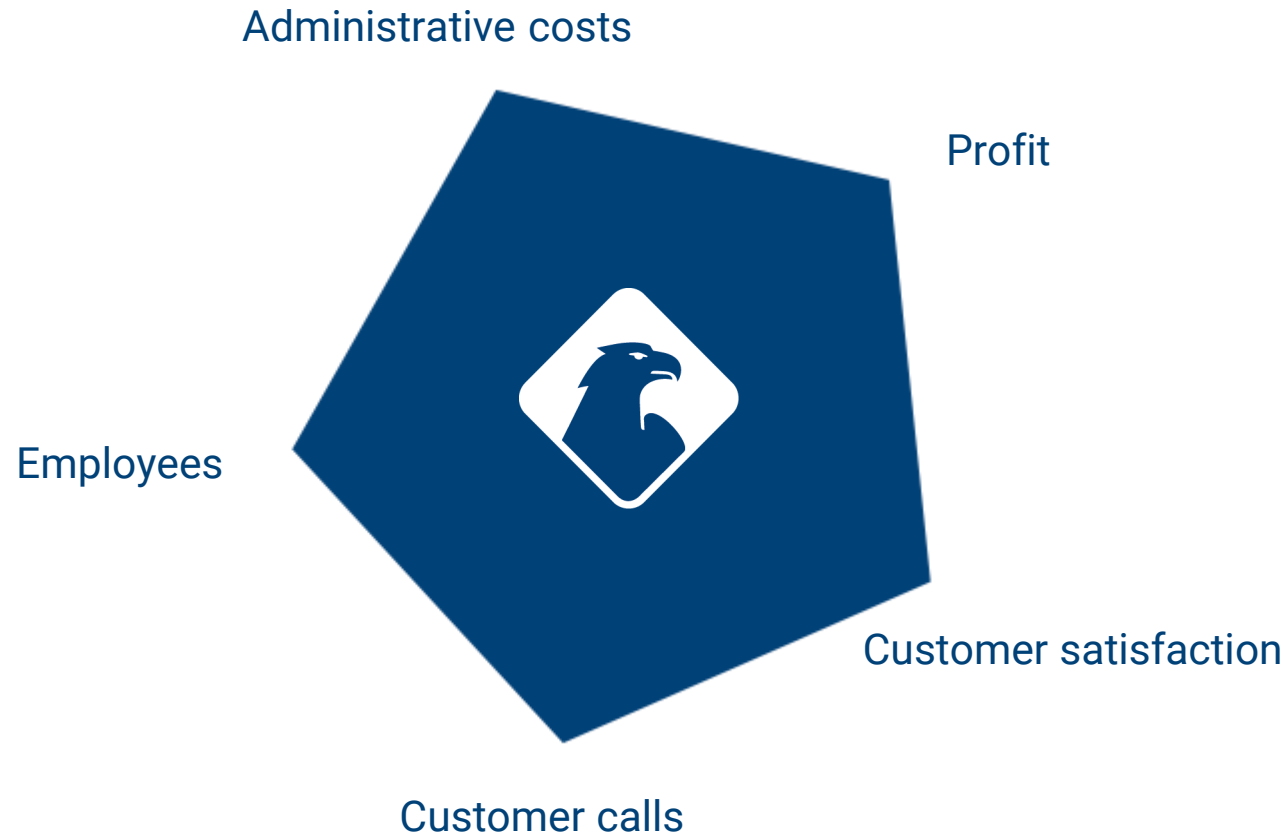
IOS: 141,000
Android: 134,000

Excellent App

App Store: 4.9 Sterne
Google Play Store: 4.9 Sterne



The real challenge: Satisfying customer expectations in service as well



- Insurance companies have to document what they do
- Customers interrupt complex documentation processes
- Solution: Digital 24/7 self-service

Self-service as the main focus

What customers can do themselves with us

- Claims notification
- Change of address data
- Change of personal contact information
- Change of payment method
- Conclusion and extension of contract
- Notification of additional insured persons (e.g. children)
- Contacting the Service Centre
- Retrieving and requesting premium statements
- Digital insurance card - eWallet
- Information on additional products and insurance benefits
- Fully digital provision and administration of contract documents
- Cancellation

Leading in automation

Degree of automation in supplementary dental insurance

Examples of fully automated claims management:

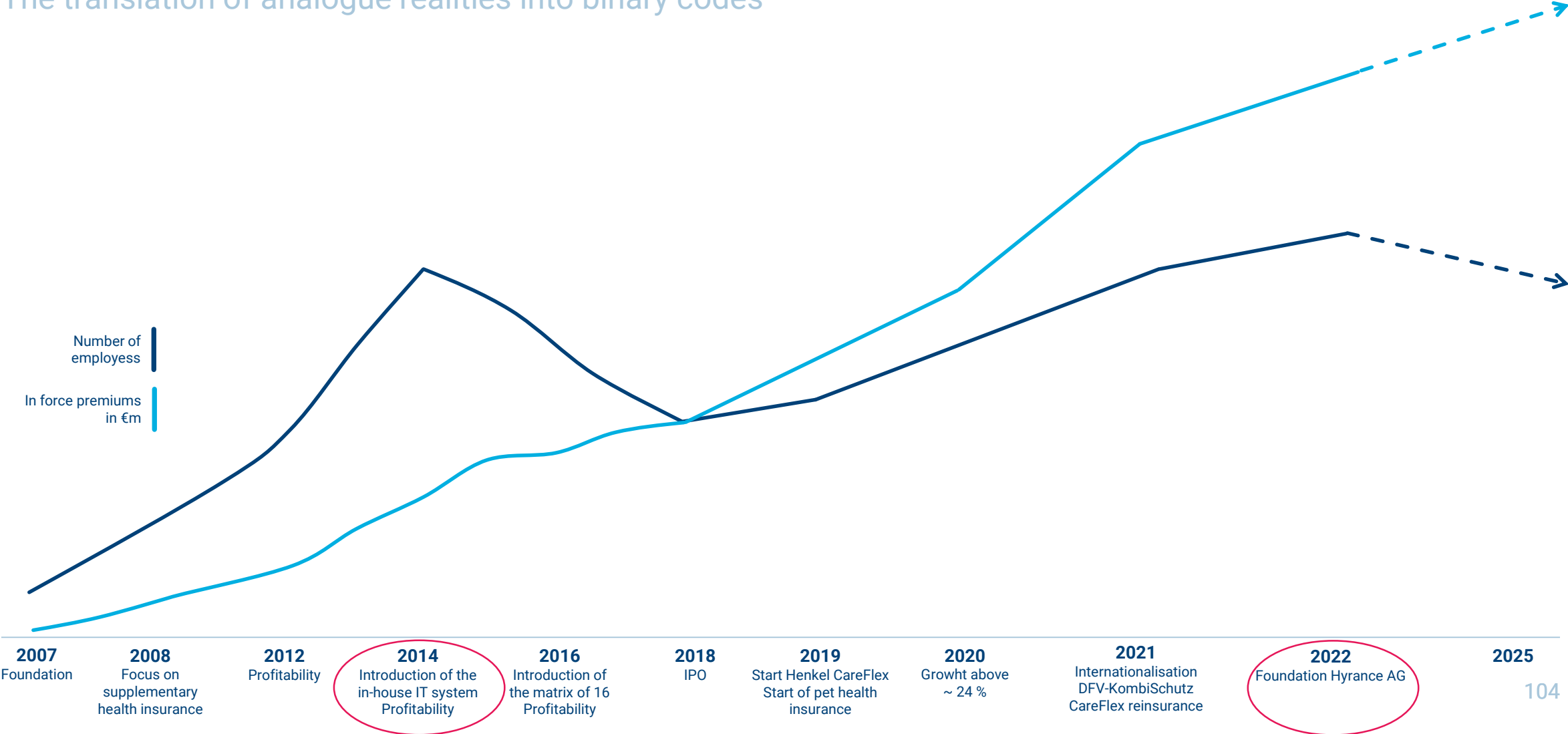
- Professional dental cleaning
- Repair of dentures
- Root canal treatment / root canal treatment
- Plastic filling (composite filling, composite tooth filling)

60% 

Automation rate in
supplementary dental
insurance

More automation, less employees

The translation of analogue realities into binary codes



TikTok

Automation

Top ratings

Profitability

Full-range provider

Twitich

Growth

Co2-neutrality

Internationalisation

One more thing

DFV Snap

Insurance On-Demand

DFV Snap

Insurance On-Demand

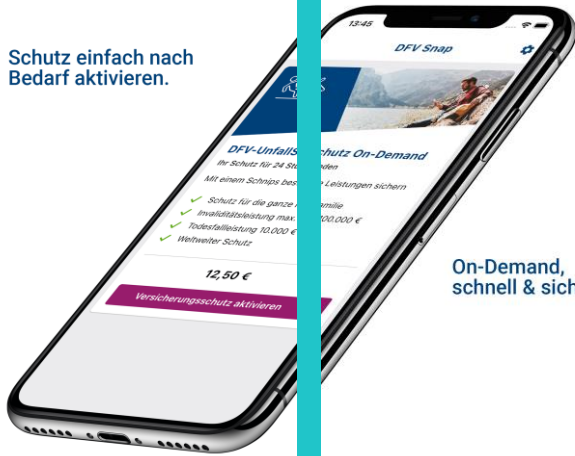
24 h insured

Entire family

No subscription

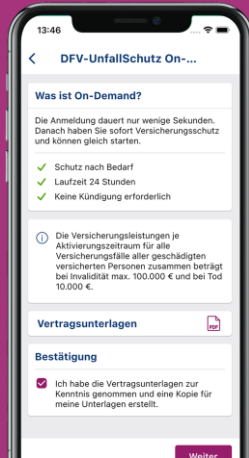
Without paperwork

Schutz einfach nach Bedarf aktivieren.

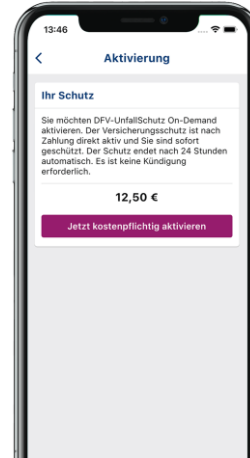


On-Demand, schnell & sicher.

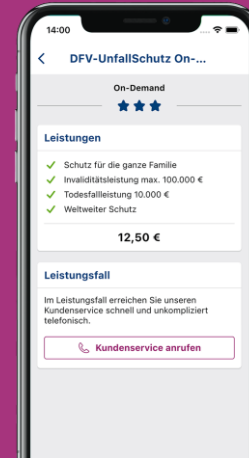
Für dich oder die ganze Familie.



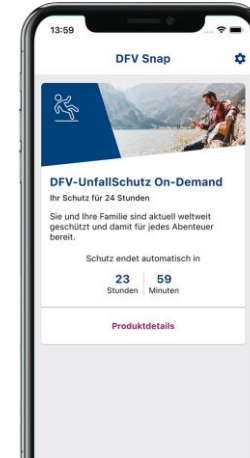
Ohne komplizierten Papierkram.



Weltweit von besten Leistungen profitieren.



Garantiert ohne Abo.



Für 24 Stunden versichert sein.





The new DFV app

DFV Snap - Insurance On-Demand

- Scan the QR code on the right-hand side
- Download the on-demand accident app "DFV Snap"
- In future, you will also find foreign health insurance and private liability insurance here

 Available for iOS



 *Android coming soon*

DFV Snap

TikTok

Full-range provider

Internationalisation

Profitability

Growth

Automation

Top ratings

Twitch

Co2-neutrality



**This is our answer from Frankfurt to
the international InsurTech movement!**

The DFV remains exciting!

Our next IR dates

- | | |
|-------------------------------------|--|
| 15.
September
2022 | Conference
ZKK Zürcher Kapitalmarktkonferenz (Capital Market Conference) |
| 19.-21.
September
2022 | Conference
Berenberg and Goldman Sachs German Corporate Conference |
| 23.
September
2022 | Conference
Baader Investment Conference |
| 19.
October
2022 | Roadshow
Digital Roadshow with Metzler |
| 15.-16.
October
2022 | Conference
Münchener Kapitalmarktkonferenz (Capital Market Conference) |

Q&A



DEUTSCHE 
Familienversicherung