

The digital insurance company

DFV Deutsche Familienversicherung AG
Consolidated semi-annual report 2022

TABLE OF CONTENTS

Foreword of the Executive Board	3
Consolidated interim management report	
Economic environment and sector development	4
Development of the course of business	5
Business development	7
Condensed consolidated interim financial statements	
Balance sheet	12
Statement of comprehensive income	14
Development of consolidated equity	15
Statement of cash flow	16
Segment reporting	17
Condensed notes under IAS 34	
General information	19
Notes to the balance sheet and statement of comprehensive income	25
Other information	33
Review report	34
Responsibility statement of the legal representatives	35

Ladies and Gentlemen,

After 2021 was dominated by the coronavirus pandemic, including its known impacts on almost every aspect of life, we had expected the 2022 financial year to return to some degree of 'normality'. How wrong we were. Russia's aggression against Ukraine signals the return of something to Europe that few would have believed possible: war. The Executive Board of Deutsche Familienversicherung was very quick to analyse the potential impacts of the war on its business model after 24 February and then monitored them closely. Supply chain shortages, inflation and rising interest rates can absolutely impact the operational business model of a digital insurer. However, these risks have been manageable so far. The war's effects on capital investments are more significant. In the first six months, we benefited from having greatly professionalised all of our investment management in 2021, because we were able to react to the changes quickly.

In terms of our operating business, premium income was 36 per cent higher in the first six months compared to the same period in the previous year; our successful entry into active reinsurance was one driving force behind this growth. The business model of Deutsche Familienversicherung is fundamentally profitable if our sales-related spending remains in a healthy proportion to our premium income. In light of the major crises in the world, the Executive Board has decided to utilise the opportunities open to Deutsche Familienversicherung and steer the company away from a strategy of pure growth towards one focused on performance. This will pave the way to lead the company into the profit zone in 2022.

At the moment, we are implementing cost management and other measures, reorienting our sales, bringing new products to the market and automating even more processes. None of this would have been possible without the dedication and professionalism of all our employees. The Executive Board wishes to thank them specifically for their support.

Together, we will continue to grow the company systematically. As shown by the market too, its strong sales and the high degree of digitisation of its business processes have made Deutsche Familienversicherung a benchmark for functional insurtech companies. Our focus is on our customers, for whom we will keep working tirelessly to develop innovative solutions and business processes that do justice to our credo: 'Simple. Sensible.'

Yours sincerely,



Dr Stefan Knoll
Chief Executive Officer

Frankfurt am Main, 8 August 2022

**CONSOLIDATED
INTERIM
MANAGEMENT REPORT**

CONSOLIDATED INTERIM MANAGEMENT REPORT

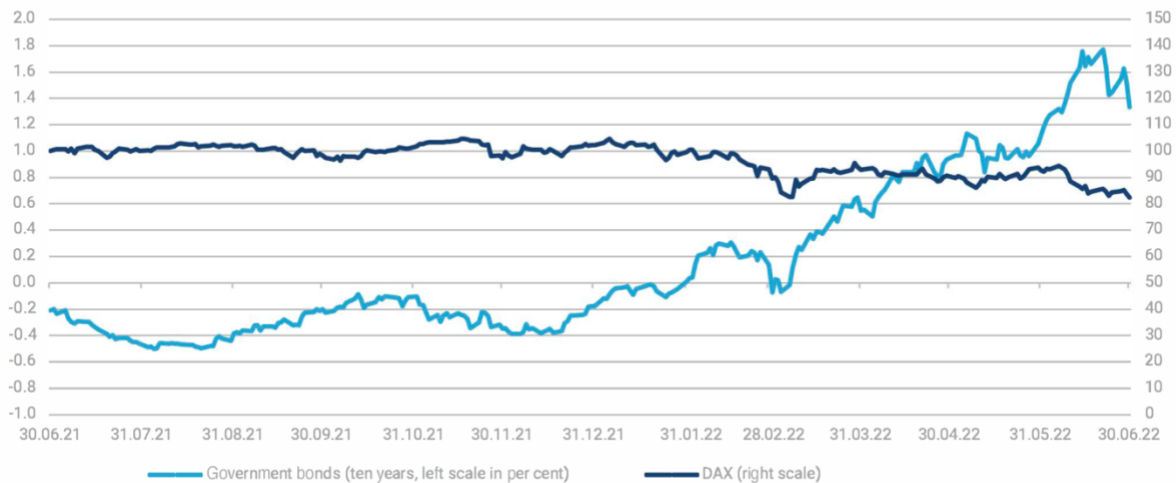
1 ECONOMIC ENVIRONMENT AND SECTOR DEVELOPMENT

According to the ifo Economic Forecast of 15 June 2022, the German economy recovered from the COVID-19 pandemic and easing lockdown measures in the first half of 2022. The economy received a powerful boost from the resulting normalisation of private consumption. The GDP is expected to grow by 2.5% in 2022 and by 3.7% in 2023 at the moment. At 6.8% in 2022 according to the ifo Economic Forecast, the rate of inflation is set to reach its highest level since 1974 and will put pressure on citizens as a consequence. In 2023, consumer prices are also expected to rise by an above-average 3.3% year-on-year.

On the other hand, the economic output of the manufacturing industry stagnated in the first quarter of 2022. It began to feel the first effects of the war in Ukraine. Taken on its own, it caused German exports of goods to decline by 1.2% in March 2022 and the export surplus to decrease significantly. Additionally, the war exacerbated the shortages of raw materials and preliminary products that had already been plaguing the industry since the previous year. The automotive industry in particular was forced to scale back its production temporarily in March 2022.

After the end of the first six months of 2022, the European Central Bank (ECB) raised interest rates for the first time in eleven years. However, the 0.5% increase also represented a step back from negative interest rates. Described as fuelling inflation and having attracted criticism, the ECB's bond-buying scheme was also suspended. Due to the sharply rising interest rates, ECB economists expect inflation to improve over the rest of 2022, although growth is also expected to slow. Increasing turbulence in share and bond prices will remain on the cards due to the geopolitical situation.

At -5% in the reporting period, shares in the insurance industry fared better in this environment than a comparable German stock market index (-20%) due to their excellent stability. Higher returns on ten-year German government bonds, which grew from a yield of -0.12% at the start of 2022 to up to 1.75% at the end of the first six months of 2022, will promise higher potential income from new investments for customers and insurers alike.

TEN-YEAR GERMAN GOVERNMENT BONDS / GERMAN STOCK MARKET INDEX**2 DEVELOPMENT OF THE COURSE OF BUSINESS**

The course of business for Deutsche Familienversicherung in the first six months of 2022 was positive overall, despite the considerable disruption caused by the Ukraine crisis and ongoing restrictions in connection with the COVID-19 crisis. A range of in-depth measures have been put in place to build on the transition from a purely growth-centric business model to a performance-oriented one that began in 2021. In particular, these measures relate to focusing sales in terms of sales channels, to multiple new product developments in order to realign the product range for Deutsche Familienversicherung's relevant target groups, to the ongoing digitisation of business processes, especially in claims and benefits settlement, and to cost management measures, not to mention increased cost control. Furthermore, the company focused on further professionalising its investment management in the first six months of 2022 – in a challenging market characterised by high volatility and rising interest rates. Overall, despite some still being in the pipeline, these measures resulted in a positive step being taken towards our annual target for 2022 in the first six months of 2022, namely positive consolidated income before tax of € 0-1 million.

2.1 Development of new business

In the first six months of 2022, Deutsche Familienversicherung was able to generate further growth in spite of the challenges brought on by the crisis in Ukraine. Although the main focus has shifted away from the COVID-19 pandemic, it cannot yet be said to be over.

At 33,468 new contracts, the volume of new business in the first six months of 2022 was around 20% lower than the new business generated in the same period in the previous year (41,624 new contracts). Due to the general economic situation, especially the uncertainty surrounding the crisis in Ukraine, Deutsche Familienversicherung has opted to lower its absolute sales-related spending with a view to achieving profitability. This also tied in with a reduction in relative conclusion costs, which moved in the wrong direction in the previous year. This combination of factors will make sales significantly more efficient in 2022. At the same time, we can report that the digital sales channels have continued to prove robust.

Accounting for the sales activities and product-related initiatives we have planned for the second half of 2022, we are in line with our annual sales planning after the first six months of the current financial year. This planning provides for a new-business volume of € 35 million in regular premiums for one year (gross premiums). As expected, our Austrian business that has been active since mid-2021 – in which Deutsche Familienversicherung sells a pet health insurance product for dogs and cats – will account for a share of this. Multiple cooperation agreements that have begun or are currently in development promise additional potential for future sales successes.

2.2 Development of the product portfolio

The goal of Deutsche Familienversicherung is to continue broadening the product base to offer our customers the ideal protection in line with the motto 'Simple. Sensible.' In the first half of 2022, we launched our new pet health insurance product DFV-TierkrankenSchutz OP for dogs and cats. In addition to the complete protection launched in 2019, this product now provides affordable basic cover for expensive-yet-necessary operations.

Furthermore, Deutsche Familienversicherung launched a new accident insurance product DFV-UnfallSchutz on 1 July 2022. Alongside the exclusive product rated as 'very good' (1.5) by Stiftung Warentest, we now offer DFV-UnfallSchutz Situativ where the basic amount of cover can be raised by three tiers up to the level of the exclusive product in seconds, and up to three people can be added to the policy, also in seconds.

With regard to foreign health insurance, we once again managed to land in the top class of providers with a score of 'very good'. For the seventh consecutive time, DFV-ZahnSchutz dental insurance was honoured as the test winner by Stiftung Warentest in June 2022.

In mid-2021, Deutsche Familienversicherung became the reinsurer of the consortium CareFlex Chemie (Group). Primary insurance shares of Barmeria Krankenversicherung AG, Wuppertal, in the amount of around € 40 million were taken over by way of a reinsurance agreement with retroactive effect from 1 June 2021. Thanks to this active reinsurance business, premium income of € 17.9 million was generated in the first six months of 2022.

2.3 Advancement of digitisation

In the first half of 2022, Deutsche Familienversicherung and STTech GmbH, a start-up from the area around the Technical University of Munich, founded Hyrance AG, which uses the latest technology to develop software-based automation for claims and benefits settlement. Hyrance stands for 'Hyper Automated Insurance'. Deutsche Familienversicherung made the investment in order to greatly increase the level of automation, especially in its own claims and benefits settlement processes. Opening up new digital fields of business, such as blockchain-based insurance products, is another important aspect. The company benefits from the two founders' expertise in insurance, artificial intelligence, software and IT architecture design and automation.

2.4 Reporting on changes to forecasts from the group management report

In light of the forecasts from the group management report for 2021, we see no material changes within the meaning of DRS 16.35, nor any deviations from the fundamental development of the group in accordance with the representation in the 2021 group management report. As presented in the outlook further below, Deutsche Familienversicherung still aims to achieve consolidated earnings before tax of up to € 1 million in 2022.

3 BUSINESS DEVELOPMENT

3.1 Underwriting income

In the first half of 2022, gross premiums increased by 36% compared to the first half of the previous year – from € 66.7 million including the new active reinsurance business to € 90.8 million. Once again, this growth was driven by supplemental dental insurance (+12%) and pet health insurance (+33%). Amounting to € 62.6 million along with long-term care insurance, these products make up 69% of the volume of premiums. In the first six months of 2022, the new active reinsurance business generated gross premiums of € 17.9 million.

Compared to the same period in the previous year, ceded reinsurance premiums decreased by € 0.2 million from € 32.6 million to € 32.4 million. Net earned premiums increased by € 24.4 million from € 34.3 million to € 58.7 million. This was affected by the contributions from the active reinsurance business that began in mid-2021, although these themselves are not reinsured.

The net payments to customers increased by € 17.9 million from € 23.6 million to € 41.6 million. In addition to claims payments, this figure also includes the changes to the claims and actuarial provisions, netted by the reinsurers' shares. It also includes the € 12.9 million increase in obligations assumed as part of active reinsurance, which were recognised as actuarial provisions on the liabilities side. The (net) loss ratio increased only slightly from 68.9% to 70.8%.

The net expenses for insurance operations, which also contain sales expenses, increased by € 3.6 million or 26% year-on-year. Adjusted for the expenses from active reinsurance, the expenses from direct insurance business actually decreased by € 1.3 million or 9%. This was due to the cost management programme that was launched in the previous year and focused on material costs in particular. At 33,468 contracts, the number of new contracts was 20% below the level in the first six months of 2021 (41,624 contracts). The current premiums for one year generated by this (gross premiums) amounted to € 9.4 million in the first six months of 2022 (first half of 2021: € 13.7 million).

At € 1.9 million, operating income for the first half of 2022 is well above the operating income for the comparative period in the previous year (€ -1.0 million). Through systematic cost management and strategic spending on sales, Deutsche Familienversicherung was able to generate positive operating income to underline its annual targets in the first six months of the 2022 financial year.

3.2 Investment

In the first six months of the 2022 financial year, the income from capital investments (excluding changes in the market value of the portfolio) was only slightly below the same period in 2021 despite the highly fraught market landscape. It was € 3.4 million, compared to the investment income of € 4.0 million generated in the same period in the previous year due to the effects of the markets recovering from the COVID-19 crisis.

The restructuring of assets in the capital investment portfolio resulted in the realisation of net capital gains of € 1.9 million (first half of 2021: € 3.6 million). Current interest and dividend income increased significantly to € 2.7 million (first half of 2021: € 1.1 million). In contrast, expenses for the management of capital investments only increased slightly (€ 0.5 million in the first half of 2022; € 0.4 million in the first half of 2021).

The general investment landscape and the rising interest rates in particular caused the market values of the bonds that make up the majority of the capital investments of Deutsche Familienversicherung to decrease. This caused the reserve for unrealised gains and losses after taxes to decrease by € 14.9 million in the first six months of 2022 (first half of 2021: € -0.7 million). As at 30 June 2022, this reserve amounted to € -16.0 million on the basis of a market valuation on the reporting date.

3.3 Half-yearly income

Deutsche Familienversicherung closed the first half of 2022 with pre-tax profit of € 1.9 million (first half of 2021: € -1.0 million). After offsetting taxes, the earnings after taxes for the first half of 2022 amounted to € 1.3 million (first half of 2021: € -0.7 million).

This significant increase in profitability compared to the same period in the previous year is due primarily to the implementation of cost management measures.

3.4 Cash flow and liquidity position

In the first half of 2022, the cash flow from operating activities was € 27.3 million (first half of 2021: € 6.4 million). It was driven by the positive earnings as well as the build-up of ageing provisions in particular. Although this build-up of ageing provisions lowered the consolidated income, it did not result in any direct cash outflow, so cash and cash equivalents continue to exceed the scope of consolidated income.

As the ageing provision requires assets to be deposited, the cash flow from operating activities was mainly used to build the capital investment portfolio further (€ 24.2 million; € 42.7 million in the first half of 2021). Since the start of the year, cash and cash equivalents have increased by around € 3.0 million from € 4.3 million to € 7.3 million.

Deutsche Familienversicherung was able to meet its payment obligations at all times in the financial year. There are no indications that this ability will be at risk in future.

3.5 Opportunity and risk report

3.5.1 Description of the risk structure

In its annual report for 2021, 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 at an early stage, to monitor them and, ultimately, to manage them in a systematic manner. Active risk management is carried out by the Executive Board and 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, business liability, cyber risks and commercial buildings and inventory.

The full Executive Board and the Supervisory Board are informed on a rotating basis about the quarterly solvency figures. Amounting to more than 250%, the solvency capital requirements (SCR) coverage ratio of Deutsche Familienversicherung was well above the legal requirements in the first half of 2022.

The overall risk of Deutsche Familienversicherung can be divided into the following risk categories:

- Underwriting risks
- Risks from the default of receivables from insurance business
- Risks from capital investments, especially market and currency risks
- Operational risks
- Liquidity risks
- Reputational risks
- Strategic risks

In addition to the risks presented, the opportunity and risk profile of Deutsche Familienversicherung also contains opportunities to be taken advantage of with a balanced approach. This includes underwriting opportunities, for instance from the favourable development of claims; capital investment opportunities, dependent upon the strategic and tactical determination of investment management and the development of capital markets, among other factors; and primarily also strategic opportunities which, for example, could take the form of occupying future markets at an early stage and quick market launch and sales successes in the course of partnerships.

In the previous year, in order to control interest and market price risks in terms of capital investments, a hedging process based on derivative financial instruments was implemented which provides for the use of exchange-traded derivatives in predefined cases in which hedging is required. Due to market developments, this case in which hedging was required occurred in the first six months of 2022, causing Deutsche Familienversicherung to account for derivatives as at 30 June 2022. Positive market values are recognised under financial instruments measured at fair value through profit or loss, whereas negative market values are recognised under other liabilities.

During the prolonged COVID-19 pandemic, the current period of high inflation and the crisis in Ukraine in particular, with their innate uncertainty, we are monitoring the situation very closely to be able to react accordingly as opportunities as well as risks arise.

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 Outlook

Deutsche Familienversicherung will continue its growth course and systematic cost management in the second half of 2022 and will not deviate from its stated new-business target of € 35 million in current gross premiums for one year. On the basis of the present half-yearly figures and the expectations for the remainder of the year, Deutsche Familienversicherung still expects positive earnings before taxes of up to € 1 million for 2022 as a whole.

In light of the ongoing increase in premiums and the positive effects of the cost management programme, Deutsche Familienversicherung believes it is well positioned for the future and expects its earnings to continue to improve. This forecast comes with uncertainty in light of possible economic effects of another wave of COVID-19 as well as potential turbulence on the capital market as a result of the crisis in Ukraine.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

BALANCE SHEET

ASSETS

In €	Notes	30.06.2022	31.12.2021
A. Intangible assets	2.1.1	6,517,012	7,184,976
B. Rights of use for property pursuant to IFRS 16	2.1.2	0	721,646
C. Investments			
I. Financial investments held for sale		174,981,970	180,794,320
Financial investments measured at			
II. fair value through profit or loss		1,891,718	0
Total	2.1.3	176,873,689	180,794,320
D. Deposits to cedants from active reinsurance business		17,743,016	4,887,689
E. Receivables			
Receivables from direct insurance			
I. business			
1. From policyholders		2,034,742	2,118,258
2. From insurance brokers		219,935	94,565
		2,254,678	2,212,823
II. Other receivables		4,976,972	5,994,127
Total	2.1.4	7,231,650	8,206,950
F. Current bank balances		7,272,785	4,331,653
G. Share of reinsurers in technical provisions			
I. Unearned premiums	2.1.5.1	1,008,851	1,092,015
II. Actuarial provisions	2.1.5.2	68,910,564	61,111,859
III. Provisions for outstanding claims	2.1.5.3	7,010,966	5,870,582
IV. Other technical provisions		24,826	40,740
Total	2.1.5	76,955,207	68,115,196
H. Tax receivables			
I. From current taxes		486,590	515,318
II. From deferred taxes		14,033,675	7,716,886
Total	2.1.6	14,520,264	8,232,204
I. Other assets	2.1.7	1,722,942	1,571,109
Total assets		308,836,564	284,045,744

EQUITY AND LIABILITIES

In €		30.06.2022	31.12.2021
A.	Equity		
I.	Subscribed capital	29,175,560	29,175,560
II.	Capital reserve	72,737,638	72,737,638
III.	Loss carried forward	-14,401,545	-15,689,542
IV.	Reserve for unrealised gains and losses	-15,980,622	-1,126,219
V.	Non-controlling interests	99,999	0
	Total	71,631,030	85,097,436
B.	Gross technical provisions		
I.	Unearned premiums	3,335,119	3,767,866
II.	Actuarial provisions	121,726,247	95,917,734
III.	Provisions for outstanding claims	21,428,919	19,066,125
IV.	Other technical provisions	4,933,035	4,291,573
	Total	151,423,319	123,043,298
C.	Other provisions	2,341,358	2,137,047
D.	Liabilities		
	Liabilities from direct insurance		
I.	business		
1.	To policyholders	948,901	544,577
2.	To insurance brokers	331,960	519,820
		1,280,861	1,064,397
II.	Deposits retained	74,132,670	66,352,765
III.	Liabilities from reinsurance business	2,198,088	1,714,574
IV.	Other liabilities	5,814,103	4,621,090
	Total	83,425,722	73,752,827
E.	Tax liabilities		
I.	From current taxes	15,135	15,135
	Total	15,135	15,135
	Total equity and liabilities	308,836,564	284,045,744

STATEMENT OF COMPREHENSIVE INCOME

In €	Notes	First half 2022	First half 2021
I. Income statement			
1. Written premiums			
a) Gross		90,794,476	66,674,393
b) Share of reinsurers		32,443,752	32,601,444
		58,350,725	34,072,949
2. Change in unearned premiums			
a) Gross		432,747	255,350
b) Share of reinsurers		-83,164	-22,834
		349,584	232,516
3. Net earned premiums			
		58,700,309	34,305,466
4. Income from capital investments	2.3.2	3,418,240	4,031,805
5. Other revenue	2.3.3	304,386	4,584
Total revenue		62,422,934	38,341,854
6. Insurance benefits			
a) Gross		63,622,051	40,538,639
b) Share of reinsurers		22,058,570	16,910,572
	2.3.4	41,563,481	23,628,067
7. Expenses for insurance operations			
a) Gross		26,010,126	27,427,270
b) Share of reinsurers		8,669,420	13,664,428
	2.3.5	17,340,706	13,762,842
8. Other expenses	2.3.6	1,628,214	1,935,487
Total expenses		60,532,402	39,326,396
9. Operating income			
		1,890,533	-984,542
10. Financing expenses for leases		-799	6,845
11. Income for the period before income taxes		1,891,331	-991,387
12. Income taxes		603,335	-307,160
13. Income for the period		1,287,997	-684,227
Of which attributable to shareholders in the parent company		1,287,997	-684,227
Of which attributable to minority interests		0	0
Earnings per share		0.09	-0.05
II. Other comprehensive income			
1. Unrealised gains and losses from capital investments		-14,854,402	-716,192
Total other comprehensive income		-14,854,402	-716,192
III. Total comprehensive income			
Of which attributable to shareholders in the parent company		-13,566,406	-1,400,419
Of which attributable to minority interests		0	0

DEVELOPMENT OF CONSOLIDATED EQUITY

	Subscribed capital	Capital reserves	Loss carried forward	Reserve for unrealised gains and losses	Consolidated equity before non-controlling interests	Non-controlling interests	Consolidated equity
In € thousand							
As at 31 December 2021	29,176	72,738	-15,690	-1,126	85,097	0	85,097
Consolidated comprehensive income in H1 2022	0	0	1,288	-14,854	-13,566	0	-13,566
Capital contributions by non-controlling interests	0	0	0	0	0	100	100
As at 30 June 2022	29,176	72,738	-14,402	-15,980	71,531	100	71,631
As at 31 December 2020	29,176	72,738	-13,993	2,934	90,854	0	90,854
Consolidated comprehensive income in H1 2021	0	0	-684	-716	-1,400	0	-1,400
As at 30 June 2021	29,176	72,738	-14,677	2,217	89,454	0	89,454

STATEMENT OF CASH FLOW

In €	First half 2022	First half 2021
1. Income for the period (including minority interests)	1,287,996	-684,227
2. Change in net technical provisions	19,540,010	3,312,844
3. Change in deposits to cedants and accounts receivable	-9,858,790	-2,045,252
4. Change in deposits retained and accounts payable	8,263,419	5,189,497
5. Change in other receivables	154,584	-67,046
6. Change in other liabilities	1,389,216	852,148
7. Change in other balance sheet items not attributable to investing or financing activities	2,471,236	1,562,244
8. Depreciation, amortisation and write-downs of fixed assets/reversals of write-downs of fixed assets	980,174	1,304,406
9. Gains and losses from the disposal of capital investments	-1,932,067	-3,614,190
10. Income tax expense/income	603,335	-307,160
11. Income taxes paid	38,107	-116,202
12. Interest paid	-676,394	-532,083
13. Interest received, dividends and other investment income	4,990,788	1,557,096
I. Cash flow from operating activities	27,251,614	6,412,075
14. Cash paid for investments in property, plant and equipment	-1,338	-26,150
15. Cash paid for investments in intangible assets	-13,090	-334,057
16. Net outgoing payments for the acquisition of capital investments	-24,212,988	-42,340,552
II. Cash flow from investing activities	-24,227,416	-42,700,759
17. Incoming payments from additions to equity from other shareholders	99,999	0
18. Repayment of liabilities under IFRS 16	-180,412	-341,115
19. Interest paid	-2,653	-10,652
III. Cash flow from financing activities	-83,066	-351,767
Change in funds for financing purposes	2,941,132	-36,640,451
Funds for financing purposes at the beginning of the period	4,331,653	37,786,113
Funds for financing purposes at the end of the period	7,272,785	1,145,662

Funds for financing purposes contain current bank balances. If an item recognised within the cash flow from operating activities contains components attributable to investing or financing activities, this can lead to differences in changes in value between the statement of cash flow and the balance sheet.

The total amount of interest paid consists of the amounts reported in items 12 and 19. The statement of cash flow was restructured as at 31 December 2021. As is standard for insurance companies, interest received, dividends and other investment income have been allocated to the cash flow from operating activities. The first half of 2021 has therefore been adjusted accordingly.

SEGMENT REPORTING

BALANCE SHEET – ASSETS	Supplementary health		Damage / accident		Active reinsurance		Total	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021	30.06.2022	31.12.2021	30.06.2022	31.12.2021
In €								
A. Intangible assets	5,873,767	6,528,270	643,245	656,706	0	0	6,517,012	7,184,976
B. Rights of use for property pursuant to IFRS 16	0	655,688	0	65,958	0	0	0	721,646
C. Investments								
I. Financial investments held for sale	157,710,827	164,269,744	17,271,144	16,524,576	0	0	174,981,970	180,794,320
II. Financial investments measured at fair value through profit or loss	1,705,001	0	186,717	0	0	0	1,891,718	0
Total	159,415,828	164,269,744	17,457,861	16,524,576	0	0	176,873,689	180,794,320
D. Deposits to cedants from active reinsurance business	0	0	0	0	17,743,016	4,887,689	17,743,016	4,887,689
E. Receivables								
I. Receivables from direct insurance business								
1. From policyholders	1,833,908	1,924,650	200,834	193,608	0	0	2,034,742	2,118,258
2. From insurance brokers	198,227	85,922	21,708	8,643	0	0	219,935	94,565
	2,032,136	2,010,572	222,542	202,252	0	0	2,254,678	2,212,823
II. Other receivables	4,321,607	5,166,832	473,265	519,753	182,100	307,542	4,976,972	5,994,127
Total	6,353,742	7,177,404	695,808	722,005	182,100	307,542	7,231,650	8,206,950
F. Share of reinsurers in technical provisions								
I. Unearned premiums	909,275	992,205	99,576	99,810	0	0	1,008,851	1,092,015
II. Actuarial provisions	68,910,564	61,111,859	0	0	0	0	68,910,564	61,111,859
III. Provisions for outstanding claims	6,318,967	5,334,012	691,999	536,570	0	0	7,010,966	5,870,582
IV. Other technical provisions	22,376	37,016	2,450	3,724	0	0	24,826	40,740
Total	76,161,182	67,475,092	794,026	640,104	0	0	76,955,207	68,115,196
G. Other segment assets	21,194,906	12,843,033	2,321,085	1,291,934	0	0	23,515,991	14,134,967
Total segment assets	268,999,425	258,949,231	21,912,024	19,901,282	17,925,116	5,195,231	308,836,564	284,045,744

BALANCE SHEET – EQUITY AND LIABILITIES	Supplementary health		Damage/accident		Active reinsurance		Total	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021	30.06.2022	31.12.2021	30.06.2022	31.12.2021
In €								
A. Gross technical provisions								
I. Unearned premiums	3,005,934	3,423,484	329,184	344,382	0	0	3,335,119	3,767,866
II. Actuarial provisions	103,983,231	91,030,045	0	0	17,743,016	4,887,689	121,726,247	95,917,734
III. Provisions for outstanding claims	19,313,833	17,323,484	2,115,086	1,742,641	0	0	21,428,919	19,066,125
IV. Other technical provisions	4,446,132	3,949,594	486,902	341,979	0	0	4,933,035	4,291,573
Total	130,749,131	115,726,607	2,931,173	2,429,003	17,743,016	4,887,689	151,423,319	123,043,298
B. Other provisions	2,110,260	1,941,721	231,098	195,326	0	0	2,341,358	2,137,047
C. Other segment liabilities	82,522,117	73,090,214	918,741	677,748	0	0	83,440,857	73,767,962
Total segment liabilities	215,381,508	190,758,542	4,081,011	3,302,077	17,743,016	4,887,689	237,205,535	198,948,308

STATEMENT OF (COMPREHENSIVE) INCOME	Supplementary health		Damage/accident		Active reinsurance		Total		
	In €								
	First half 2022	First half 2021	First half 2022	First half 2021	First half 2022	First half 2021	First half 2022	First half 2021	
1. Written premiums from insurance business	65,675,731	60,713,610	7,192,245	5,960,783	17,926,500	0	90,794,476	66,674,393	
2. Net earned premiums	35,962,103	30,177,525	4,811,705	4,127,941	17,926,500	0	58,700,309	34,305,466	
3. Income from capital investments	3,147,466	3,671,356	270,774	360,449	0	0	3,418,240	4,031,805	
4. Other revenue	55,156	4,174	-60	410	249,289	0	304,386	4,584	
Total revenue	39,164,725	33,853,055	5,082,420	4,488,800	18,175,789	0	62,422,934	38,341,854	
5. Insurance benefits	27,047,715	22,324,337	1,570,473	1,303,730	12,945,293	0	41,563,481	23,628,067	
6. Expenses for insurance operations	7,118,290	9,341,135	5,369,014	4,421,707	4,853,403	0	17,340,706	13,762,842	
7. Other expenses	1,467,506	1,762,452	160,709	173,035	0	0	1,628,214	1,935,487	
Total expenses	35,633,510	33,427,924	7,100,195	5,898,472	17,798,696	0	60,532,402	39,326,396	
8. Operating income	3,531,215	425,131	-2,017,776	-1,409,672	377,093	0	1,890,533	-984,542	
9. Financing expenses	-720	6,234	-79	612	0	0	-799	6,846	
10. Net profit for the period before income taxes	3,531,935	418,897	-2,017,697	-1,410,285	377,093	0	1,891,331	-991,387	
11. Income taxes	1,126,687	129,786	-643,645	-436,946	120,293	0	603,335	-307,160	
12. Income for the period	2,405,247	289,111	-1,374,051	-973,338	256,801	0	1,287,997	-684,227	

ADDITIONAL INFORMATION	Supplementary health		Damage/accident		Active reinsurance		Total		
	In €								
	First half 2022	First half 2021	First half 2022	First half 2021	First half 2022	First half 2021	First half 2022	First half 2021	
Interest revenue	2,356	1,839	258	181	159,657	0	162,270	2,019	
Interest expenses	665,655	492,596	-79	48,362	0	0	665,576	540,958	
Scheduled depreciation and amortisation	883,429	1,501,436	96,746	147,409	0	0	980,174	1,648,845	
Significant non-cash revenue (+) and expenses (-) ¹	0	0	0	0	0	0	0	0	
Net loss ratio (in %)	75.2	74.0	32.6	31.6	72.2	0.0	70.8	68.9	

¹ Excluding scheduled depreciation and amortisation.

CONDENSED NOTES UNDER IAS 34

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 2021 financial year. The condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements of the DFV Group for the 2021 financial year.

Uniform accounting and valuation methods have been applied to the reporting and comparative periods. 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.

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, Deutsche Familienversicherung, 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.

These condensed consolidated interim financial statements of the DFV Group were approved by resolution of the Executive Board on 8 August 2022.

1.2 Recently adopted accounting standards (first-time adoption as of 1 January 2022)

The standards presented in the table below were applicable for the first time in the reporting year. As Deutsche Familienversicherung has not been affected by the changes, there has been no impact on the consolidated financial statements.

INITIAL APPLICATION	NEW OR AMENDED STANDARDS AND INTERPRETATIONS
1 January 2022	Amendments to IFRS 3 – Business Combinations
	Amendments to IAS 16 – Property, Plant and Equipment
	Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets
	Amendments to IFRS 1 – First-time Adoption of International Financial Reporting Standards
	Amendments to IFRS 9 – Financial Instruments
	Amendment to an Illustrative Example accompanying IFRS 16 – Leases
	Amendments to IAS 41 – Agriculture

The International Accounting Standards Board (IASB) published its 'Annual Improvements to IFRSs 2018-2020 Cycle' on 14 May 2020. These amendments concern four standards (IFRS 1, IFRS 9, IFRS 16, IAS 41). None of these amendments concerns Deutsche Familienversicherung.

Furthermore, the following amendments were applied for the first time in this reporting year:

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

In particular, these amendments relate to costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

Reference to the Conceptual Framework (amendments to IFRS 3) and amendments to IFRS 3 – Business Combinations

An outdated reference was replaced.

Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)

The amendment concerns proceeds from selling items produced while bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

1.3 Significant new IFRS standards to be applied by Deutsche Familienversicherung in future accounting periods

IFRS 17 – Insurance Contracts (EU endorsement procedure complete)

With the currently applicable IFRS 4, the IASB published a transitional solution for accounting for insurance contracts in 2004, which has now been applicable for more than ten years.

The final new standard IFRS 17 (Insurance Contracts) must be applied for the first time as of 1 January 2023.

IFRS 17 largely applies to all insurance and reinsurance contracts written by an entity. The definition of insurance contracts was adopted from IFRS 4.

The subject matter of the standard is the presentation of assets and liabilities resulting from insurance contracts. In the course of standard development, the present value of fulfilment cash flows has emerged as the preferred valuation concept. The present value of fulfilment cash flows results from a current estimate of the expected present value of the cash flows required from the company's perspective to meet the obligations arising from an insurance contract.

The valuation of the provision for future cover is based on a general model using the three-block approach (building block approach, BBA):

- Estimation of expected incoming and outgoing cash flows;
- Discounting of expected cash flows to reflect the time value of money;
- Determination of a risk adjustment for the uncertainty in estimated cash flows resulting from underwriting risks

If the present values of expected proceeds exceed those of expected risk-adjusted payments, the remaining residual amount has to be recognised as the contractual service margin (CSM). Negative margins must be recognised through profit or loss in the income statement.

In general, a distinction has to be made between the prospective provision for future cover and the provision for damages incurred. The above concept is likewise applied to the provision for damages incurred.

Not all insurance contracts have to be mapped according to the three-block approach. Contracts with a maximum term of one year can be mapped using the simplified method (premium allocation approach, PAA). This also applies to contracts with a term of more than 12 months, where the application of the simplified method would lead to similar results to under the three-block approach. However, the simplified approach does not apply to contracts for which the PAA is not a reasonable estimate for the three-block approach. These include unprofitable contracts as well as contracts that contain embedded options or guarantees or that have long terms.

In addition to direct insurance contracts (including active reinsurance), passive reinsurance contracts also have to be valued by a primary insurer. In general, passive reinsurance contracts are valued using the three-block approach, while some modifications have to be taken into account.

By including the variable-fee approach (VFA), the IASB set an important course for the accounting of life insurance business, in particular of business with profit participation rights. Fluctuations in the amount of the insurer's share of the investment result and in the value of the guarantees may be offset against CSM under the VFA. An insurance contract is regarded as directly entitled to surpluses and therefore falls within the scope of the variable fee approach if:

- The policyholder participates in a clearly identifiable pool of underlying reference values.
- The insurer distributes a significant portion of the income to the policyholder.
- A significant portion of the insurer's cash flows to the policyholder fluctuates with the development of the underlying reference values.

According to the current status, the applicability of the VFA for participating direct insurance business in Germany can be derived from this definition of contracts directly entitled to surpluses. Reinsurance contracts are not covered by the VFA, even if they relate to insurance contracts covered by the VFA.

In deviation from the general model, the contractual service margin under the VFA bears interest at the current interest rate, not at the locked-in interest rate.

In the context of subsequent measurement, the topics of income recognition and handling changes in estimates with regard to expected cash flows, risk adjustment and the yield curve are of great importance. Changes in estimates of the expected cash flows and the risk adjustment with respect to future cover are offset against CSM; the effects of interest rate fluctuations on underwriting liabilities can be recognised either in the income statement through profit or loss or directly in equity at portfolio level (OCI option).

With the OCI solution, the IASB has decided on an instrument to avoid volatility in an insurer's income statement. Accordingly, the effects of market interest rate fluctuations on the fulfilment cash flow of the underwriting obligations can be recognised directly in equity (OCI). In analogy, a category for financial instruments with a debt character for the assets side was created in IFRS 9, which is also subject to measurement recognised directly in equity (OCI) with no effect on income in accordance with the business model holding and selling. While the new investment category is recycled when a financial instrument is sold, an analogous effect is guaranteed when the OCI solution is applied on the liabilities side by adding interest at the fixed (locked-in) interest rate at the time of posting.

Assessment of possible effects of the application of IFRS 17

A significant portion of the assets and liabilities in the balance sheet and the overall structure of the income statement will change completely in standards of Deutsche Familienversicherung's consolidated financial statements with the introduction of IFRS 17. This corresponds to the extensive introduction of IFRS at Deutsche Familienversicherung, which also represents a paradigm shift from the accounting method previously used for insurance contracts. In the future, all incoming and outgoing payments from an insurance contract have to be estimated and mapped at the beginning of the contract. Misjudgements in regard to cash flows result in increased volatility of profit and loss. Especially in the first period after the introduction of IFRS 17, this will result in major challenges with regard to the planning, predictability and ability to interpret corporate results.

The introduction of IFRS 17 always has to be viewed in close interaction with IFRS 9, which further increases the requirements for users.

Challenges in the future interaction of IFRS 9 and IFRS 17

The main challenge in the joint application of IFRS 9 and IFRS 17 is to avoid an accounting mismatch. In this context, the possibility to exercise the OCI option for financial instruments on the assets side and for insurance contracts on the liabilities side mostly congruently is of major importance.

The standard 'Applying IFRS 9 (Financial Instruments) with IFRS 4 Insurance Contracts', Amendments to IFRS 4, published in September 2016, contains, inter alia, the deferral approach for insurance companies, which generally allows them to not introduce IFRS 9 until the first-time application of IFRS 17. Companies whose primary business is insurance have the option to claim temporary exemption from IFRS 9. DFV meets the necessary criteria (the proportion of the group's insurance activities was 100% on 31 December 2015 and its business activities have not changed in the meantime) and has opted to make use of the extension for reasons including the interaction between the recognition of financial instruments and insurance contracts. Deutsche Familienversicherung will introduce IFRS 9 together with IFRS 17.

IFRS 9 assigns financial instruments to the following measurement categories:

1. At amortised cost
2. At fair value directly in equity (FVTOCI)
3. At fair value through profit or loss (FVTPL)
4. At fair value directly in equity (FVTOCI)

For classification under IFRS 9, the cash flow criterion (SPPI) is applied which requires the contractual terms of the financial asset to result in cash flows consisting exclusively of payments of principal and interest on the outstanding capital on set dates. If the SPPI criterion is met, the financial instruments are assigned to one of the first two categories. At the same time, the business model within the framework of which the financial instruments are held is used as a classification factor. Where the objective is to hold the financial asset to collect the contractual cash flows, it is measured at amortised cost. Accounts receivable and bank balances will likely fall into this category. Where the objective of the business model is to collect the contractual cash flows as well as to sell financial assets, it is measured at fair value directly in equity (FVTOCI). Deutsche Familienversicherung will probably measure the majority of its capital investments in this category, especially bonds.

If the cash flow criterion is not met, the financial instrument is assigned to category 3 or 4. As a rule, measurement is at fair value through profit or loss. However, when it first recognises certain financial investments in equity instruments, a company can select the measurement category 'At fair value directly in equity (FVTOCI)'. Unlike the measurement of debt instruments directly in equity, all changes in value are recognised in other comprehensive income and impairments are not presented in the income statement.

The recognition of impairments is another significant change brought about by IFRS 9. Under the current standard, impairments are only recognised in the income statement if the impairment has occurred, such as if the creditworthiness of a creditor falls sharply or the creditor is in default. In the reporting year, there were no indications of this with regard to the bonds. IFRS 9 introduces the expected credit loss model to counter the criticism of the old standard – that such impairments are too late and too small-scale – which grew more significant during the financial market crisis. This model recognises expected impairment losses at various stages for every financial instrument under ‘At amortised cost’ and ‘FVOCI’. This means that a forecast valuation allowance, which has to be calculated more restrictively with increased risk in the subsequent measurement, is recognised through profit or loss as soon as it is added. This change will affect the bonds held by Deutsche Familienversicherung in particular.

Conclusion

The initial application of IFRS 9 and the implementation of IFRS 17 from 1 January 2023 currently involve a considerable amount of preparatory work. This will result in a reorganisation of IFRS accounting for Deutsche Familienversicherung, which will lead to a completely new picture of the consolidated financial statements under IFRS.

Deutsche Familienversicherung has initiated and/or carried out the following measures for the implementation of IFRS 17 and IFRS 9:

- Selection of cloud-based and scalable IFRS 17 software to map accounting processes (SaaS);
- Selection of an IFRS 9-compliant subledger;
- Preparation of key methodical concepts and evaluation of potential accounting options;
- Generation of a technical concept and preparation of adjustments to existing actuarial models;
- Simulation calculations and validations as part of the introduction of IFRS 17 and IFRS 9

Qualitative analyses have shown that the variable-fee approach will be used to measure underwriting liabilities for health insurance business by type of life insurance, whereas the premium allocation approach will be used for health insurance business by type of damage insurance and for non-life and accident insurance business. Likewise, the premium allocation approach will be used to measure the reinsurance business, with two exceptions.

At the time of writing of this report, no quantitative statement can be made as to the potential impact on the value of the underwriting liabilities and assets pursuant to IFRS 17 and IFRS 9.

1.4 Accounting and valuation methods

There were no changes to the accounting and valuation methods in the 2022 reporting period.

1.5 Group reporting entity

Hyrance AG has been added to the group of consolidated companies since the last reporting date. Deutsche Familienversicherung holds 50.0% plus one share in Hyrance AG and may appoint two of three executive directors. Due to the control, Hyrance AG is fully consolidated in the consolidated financial statements of Deutsche Familienversicherung. Additionally, non-controlling interests are presented for the first time.

LIST OF CONSOLIDATED SUBSIDIARIES		Investment carrying amount	Equity share	Subscribed capital
COMPANY	Registered office	In € thousand	In %	In € thousand
DFVS Deutsche Familienversicherung Servicegesellschaft mbH	Frankfurt am Main	25.0	100.00	25.0
DFVV Deutsche Familienversicherung Vertriebsgesellschaft mbH	Frankfurt am Main	135.0	100.00	25.0
DFVR Deutsche Familienversicherung Rechtsschutz-Schadenabwicklungsgesellschaft mbH	Frankfurt am Main	25.0	100.00	25.0
DFV Deutsche Familienversicherung Krankenversicherung-Vermittlungs-AG	Frankfurt am Main	50.0	100.00	50.0
Hyrance AG	Grünwald	100.0	50.00 ¹	200.0

¹ DFV Deutsche Familienversicherung AG holds 50% plus one share in Hyrance AG.

2 NOTES TO THE BALANCE SHEET AND STATEMENT OF COMPREHENSIVE INCOME

2.1 Assets

2.1.1 Development of other intangible assets

DEVELOPMENT OF OTHER INTANGIBLE ASSETS	Purchased software	Other intangible assets	Total	Purchased software	Other intangible assets	Total
In € thousand	30.06.2022			31.12.2021		
Gross carrying amount as of 1 January	13,531	4,699	18,230	13,377	4,429	17,806
Cumulative depreciation as of 1 January	7,082	3,963	11,045	6,223	2,736	8,959
Balance sheet value as of 1 January	6,449	736	7,185	7,154	1,693	8,847
Additions	13	0	13	307	270	577
Disposals of gross carrying amounts	0	0	0	-153	0	-153
Depreciation and amortisation	437	244	681	859	1,227	2,086
Disposals of depreciation and amortisation	0	0	0	0	0	0
Balance sheet value as at reporting date	6,025	492	6,517	6,449	736	7,185
Cumulative depreciation as at reporting date	7,519	4,207	11,726	7,082	3,963	11,045
Gross carrying amount as at reporting date	13,544	4,699	18,243	13,531	4,699	18,230

2.1.2 Rights of use for property pursuant to IFRS 16

RIGHTS OF USE PURSUANT TO IFRS 16

In € thousand	30.06.2022	31.12.2021
Gross carrying amount as of 1 January	2,806	2,738
Cumulative depreciation as of 1 January	2,085	1,370
Balance sheet value as of 1 January	721	1,368
Additions	0	68
Disposals	541	0
Depreciation and amortisation	180	715
Balance sheet value as at reporting date	0	721
Cumulative depreciation as at reporting date	2,265	2,085
Gross carrying amount as at reporting date	2,265	2,806

Due to renovation work and the office building on Reuterweg not being used, Deutsche Familienversicherung was granted a rent-free period. The liability and right of use were therefore revalued as at 30 June 2022 and removed from the books.

2.1.3 Deposits to cedants

The deposits to cedants resulting from the active reinsurance business that began in mid-2021 amounted to € 17,743 thousand (€ 4,888 thousand as at 31 December 2021).

2.1.4 Financial instruments

FINANCIAL INSTRUMENTS – AVAILABLE FOR SALE

In € thousand	30.06.2022	31.12.2021
Stocks	0	1,931
Investment shares	51,456	55,108
Bonds	123,526	123,755
Total	174,982	180,794

FINANCIAL INSTRUMENTS – MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

In € thousand	30.06.2022	31.12.2021
Derivative financial instruments	1,892	0
Total	1,892	0

Positive market values resulting from derivative financial instruments as part of the hedging of interest and market price risks are recognised as financial instruments measured at fair value through profit or loss, whereas negative market values are recognised as other liabilities on the liabilities side of the balance sheet.

Securities lending

No securities were lent as of the reporting date.

2.1.5 Receivables

RECEIVABLES

In € thousand	30.06.2022	31.12.2021
Receivables from direct insurance business		
Of which from policyholders	2,035	2,118
Of which from insurance brokers	220	95
Receivables from insurance business	2,255	2,213
Accounts receivable from reinsurance business	733	3,730
Receivables from long-term care insurance allowance	213	436
Other receivables	4,031	1,828
Other receivables from insurance business	4,977	5,994
Total	7,232	8,207

2.1.6 Shares of reinsurers in technical provisions

SHARE OF REINSURERS IN TECHNICAL PROVISIONS

In € thousand	30.06.2022	31.12.2021
Unearned premiums	1,009	1,092
Actuarial provisions	68,911	61,112
Provision for outstanding claims	7,011	5,870
Other technical provisions	25	41
Total	76,956	68,115

2.1.6.1 Shares of reinsurers in the development of unearned premiums

SHARES OF REINSURERS IN THE DEVELOPMENT OF UNEARNED PREMIUMS

In € thousand	30.06.2022	31.12.2021
As of 1 January	1,092	878
Additions	1,009	1,092
Disposals	1,092	878
As at reporting date	1,009	1,092

2.1.6.2 Shares of reinsurers in the development of actuarial provisions

SHARE OF REINSURERS IN THE DEVELOPMENT OF ACTUARIAL PROVISIONS

In € thousand	30.06.2022	31.12.2021
As of 1 January	61,111	49,235
Additions	8,717	18,818
Disposals	918	6,942
As at reporting date	68,910	61,111

2.1.6.3 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 € thousand	30.06.2022	31.12.2021
As of 1 January	5,871	5,725
Claims expenses		
For the financial year	13,232	25,586
For previous years	1,289	-182
Total	14,521	25,404
Less payments		
For the financial year	7,053	20,547
For previous years	6,328	4,711
Total	13,381	25,258
As at reporting date	7,011	5,871

2.1.7 Deferred taxes

Deferred tax assets	Total deferred tax assets	of which recognised in OCI	of which recognised in the income statement	of which directly in equity	30.06.2022				31.12.2021			
					Total deferred tax assets	of which recognised in OCI	of which recognised in the income statement	of which directly in equity	Total deferred tax assets	of which recognised in OCI	of which recognised in the income statement	of which directly in equity
In € thousand												
Intangible assets	0	0	0	0	0	0	0	0	0			
Investments												
Financial instruments	7,486	7,486	0	0	528	528	0	0				
Derivative financial instruments	537	0	537	0	0	0	0	0				
Technical provisions	323	0	323	0	323	0	323	0				
Other	374	0	374	0	576	0	576	0				
Income tax loss carried forward	9,840	0	8,983	857	9,337	0	8,480	857				
	18,560	7,486	10,217	857	10,763	528	9,378	857				

Deferred tax liabilities	Total deferred tax liabilities	of which recognised in OCI	of which recognised in the income statement	of which directly in equity	30.06.2022				31.12.2021			
					Total deferred tax assets	of which recognised in OCI	of which recognised in the income statement	of which directly in equity	Total deferred tax assets	of which recognised in OCI	of which recognised in the income statement	of which directly in equity
In € thousand												
Intangible assets	569	0	569	0	569	0	569	0				
Investments												
Financial instruments	3,127	0	3,127	0	2,021	0	2,021	0				
Derivative financial instruments	603	0	603	0	0	0	0	0				
Technical provisions	210	0	210	0	210	0	210	0				
Other	17	0	17	0	247	0	247	0				
	4,526	0	4,526	0	3,047	0	3,047	0				

The increase in deferred tax assets in connection with capital investments is due to the general investment landscape and the rising interest rates in particular. The market values of the bonds that make up the majority of the capital investments of Deutsche Familienversicherung decreased. This caused the reserve for unrealised gains and losses after taxes to decrease by € 14.9 million in the first six months of 2022 (first half of 2021: € -0.7 million); the tax effect was capitalised as a deferred tax asset.

2.1.8 Other assets

OTHER ASSETS

In € thousand	30.06.2022	31.12.2021
Operating and office equipment	330	447
Accruals and deferrals	1,389	1,119
Other assets	4	5
Total	1,723	1,571

2.2 Equity and liabilities

2.2.1 Equity

The development of equity is presented in the statement of changes in equity.

2.2.2 Technical provisions (gross)

TECHNICAL PROVISIONS (GROSS)

In € thousand	30.06.2022	31.12.2021
Unearned premiums	3,335	3,768
Actuarial provisions	121,726	95,918
Provision for outstanding claims	21,429	19,066
Provision for premium refunds	4,402	4,133
Other technical provisions	531	158
Total	151,423	123,043

The actuarial provision contains obligations assumed as a result of the active reinsurance business that began in mid-2021 in the amount of € 17,743 thousand (€ 4,888 thousand as at 31 December 2021).

2.2.2.1 Development of unearned premiums

DEVELOPMENT OF UNEARNED PREMIUMS

In € thousand	30.06.2022	31.12.2021
As of 1 January	3,768	3,338
Additions	3,335	3,768
Reversal/utilisation	3,768	3,338
As at reporting date	3,335	3,768

2.2.2.2 Development of actuarial provisions

DEVELOPMENT OF ACTUARIAL PROVISIONS

In € thousand	30.06.2022	31.12.2021
As of 1 January	95,918	70,674
Addition	26,465	33,689
Disposals	1,632	10,106
Interest portion	975	1,661
As at reporting date	121,726	95,918

The interest portion is calculated using the actuarial interest 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 € thousand	30.06.2022	31.12.2021
As of 1 January	19,066	14,801
Claims expenses		
For the financial year	37,388	68,477
For previous years	-267	263
Total	37,121	68,740
Less payments		
For the financial year	18,979	52,032
For previous years	15,779	12,443
Total	34,758	64,475
As at reporting date	21,429	19,066

2.2.2.4 Other technical provisions

DEVELOPMENT OF THE PROVISION FOR PREMIUM REFUNDS

In € thousand	30.06.2022	31.12.2021
As of 1 January	4,133	1,642
Additions	320	3,252
Disposals	51	761
As at reporting date	4,402	4,133

OTHER UNDERWRITING PROVISIONS

In € thousand	30.06.2022	31.12.2021
Cancellation provision	71	112
Other technical provisions	460	46
Total	531	158

2.2.3 Other provisions

DEVELOPMENT OF OTHER PROVISIONS

In € thousand	30.06.2022	31.12.2021
As of 1 January	2,137	3,448
Utilisation	2,137	3,448
Reversal	0	0
Addition	2,341	2,137
As at reporting date	2,341	2,137

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

2.2.4 Liabilities

LIABILITIES

In € thousand	30.06.2022	31.12.2021
Liabilities from direct insurance business	1,281	1,064
To policyholders	949	544
To insurance brokers	332	520
Deposits retained	74,133	66,353
Liabilities from reinsurance business	2,198	1,715
Other liabilities	5,814	4,621
of which from negative market values resulting from derivatives	1,682	0
Total	83,426	73,753

Negative market values resulting from derivative financial instruments as part of the hedging of interest and market price risks are recognised as other liabilities, whereas positive market values are recognised as financial instruments measured at fair value through profit or loss on the assets side of the balance sheet.

2.3 Statement of comprehensive income

2.3.1 Earned premiums

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

2.3.2 Income from capital investments

INCOME FROM CAPITAL INVESTMENTS

In € thousand	First half 2022	First half 2021
Revenue from capital investments		
Current revenue from capital investments	2,685	1,148
Gains from the disposal of capital investments	11,239	4,586
Foreign currency gains	128	0
Total	14,052	5,734
Expenses for capital investments		
Expenses for the management of capital investments, other expenses	465	434
Losses from changes in fair value (recognised in profit or loss)	793	296
Losses from the disposal of capital investments	9,307	972
Foreign currency losses	69	0
Total	10,634	1,702
Income from capital investments	3,418	4,032

2.3.3 Other revenue

OTHER REVENUE

In € thousand	First half 2022	First half 2021
Revenue from active reinsurance	249	0
Revenue from the withdrawal of the provision for premium refunds	51	0
Other non-underwriting revenue	4	5
Total	304	5

2.3.4 Insurance benefits

INSURANCE BENEFITS

In € thousand	First half 2022	First half 2021
Payments for insurance claims		
Gross amount	34,758	32,932
Share of reinsurers	13,381	12,850
Net amount	21,377	20,083
Change in the provision for outstanding claims		
Gross amount	2,363	949
Share of reinsurers	895	124
Net amount	1,468	825
Change in actuarial provisions		
Gross amount	25,808	7,124
Share of reinsurers	7,799	3,936
Net amount	18,009	3,188
Change in other technical provisions		
Gross amount	373	0
Share of reinsurers	-16	0
Net amount	389	0
Expenses for premium refunds		
Gross amount	320	-467
Share of reinsurers	0	0
Net amount	320	-467
Total	41,563	23,629

2.3.5 Expenses for insurance operations

EXPENSES FOR INSURANCE OPERATIONS

In € thousand	First half 2022	First half 2021
Acquisition expenses	14,417	20,556
Administrative expenses	11,593	6,871
Of which: Share of reinsurers	8,669	13,664
Total	17,341	13,763

Of the € 17.3 million in expenses for insurance operations in the first six months of 2022, € 12.5 million is attributable to primary insurance and € 4.9 million is attributable to active reinsurance.

2.3.6 Other expenses

OTHER EXPENSES

In € thousand	First half 2022	First half 2021
Other underwriting expenses		
Deposit interest for reinsurance	666	532
Fire protection tax	10	9
	676	541
Other non-underwriting expenses	952	1,394
Of which Supervisory Board remuneration	90	104
Total	1,628	1,935

3 OTHER INFORMATION

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

ASSETS AND LIABILITIES BY LEVEL (30.06.2022)

In € thousand	Level 1	Level 2	Level 3	Total
Financial instruments available for sale (measured at fair value)	174,982	0	0	174,982
Financial instruments available for sale (measured at acquisition costs)	0	0	0	0
Financial instruments measured at fair value through profit or loss	1,892	0	0	1,892
Total positive market values	176,874	0	0	176,874
Financial instruments measured at fair value through profit or loss	1,682	0	0	1,682
Total negative market values	1,682	0	0	1,682

ASSETS AND LIABILITIES BY LEVEL (31.12.2021)

In € thousand	Level 1	Level 2	Level 3	Total
Financial instruments available for sale (measured at fair value)	178,863	0	0	178,863
Financial instruments available for sale (measured at acquisition costs)	1,931	0	0	1,931
Financial instruments measured at fair value through profit or loss	0	0	0	0
Total positive market values	180,794	0	0	180,794
Financial instruments measured at fair value through profit or loss	0	0	0	0
Total negative market values	0	0	0	0

3.2 Disclosures regarding contingent liabilities

As at the reporting date (30 June 2022), there were no contingent liabilities in addition to the provisions recognised in the 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 first half-year that have not been included in either the income statement or the balance sheet.

Frankfurt am Main, 8 August 2022

DFV Deutsche Familienversicherung AG

Executive Board

REVIEW REPORT

To DFV Deutsche Familienversicherung AG, Frankfurt a.M.

We have reviewed the condensed interim consolidated financial statements, which comprise the balance sheet as at 30 June 2022, the statement of comprehensive income, the statement of cash flow, the statement of changes in equity as well as selected explanatory notes to the consolidated financial statements, and the interim group management report for the period from 1 January 2022 to 30 June 2022 of DFV Deutsche Familienversicherung AG, Frankfurt a.M., that are part of the semi-annual financial information under Section 115 German Securities Trading Act (WpHG). The preparation of the condensed interim consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the EU 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 executive directors of the Company. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in compliance with German Generally Accepted Standards for Reviews of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance to preclude through critical evaluation that the condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in 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 other persons accountable for accounting and to analytical procedures applied to financial data and thus provides less assurance than an audit. Since, in accordance with our engagement, we have not performed an audit, we do not issue an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of DFV Deutsche Familienversicherung AG, Frankfurt a.M., have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, 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.

Munich, 10 August 2022

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:

Rouven Schmidt

Wirtschaftsprüfer

(German Public Auditor)

Signed:

Josip Krolo

Wirtschaftsprüfer

(German Public Auditor)

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 consolidated interim financial statements as of 30 June 2022 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, 8 August 2022

DFV Deutsche Familienversicherung AG

Executive Board

DFV Deutsche Familienversicherung AG

Reuterweg 47
60323 Frankfurt
Germany