



Preliminary figures 2020 and forecast 2021

DFV Deutsche Familienversicherung AG
FRANKFURT/MAIN | 21 January 2021

FREP (DPR)

German Financial Reporting Enforcement Panel (FREP)



- FREP has been commissioned by BaFin to conduct a sample audit of DFV's 2018 balance sheet.
- In addition to minor comments, a disagreement arose regarding the allocation of IPO costs.
- To avoid a protracted legal dispute, DFV agreed to FREP's findings.

German Financial Reporting Enforcement Panel (FREP)

IPO costs 2018

- According to IFRS, the costs of the IPO, which at DFV amounted to approximately € 3.6 million for the 2018 IPO, are to be allocated according to a reasonable formula if old and new shares are placed at the same time (IAS 32.38). The amount relating to the raising of new capital, i.e. the placement of new shares, is to be reported directly in equity, while the amount for making old shares tradable is to be reported as an expense.
- DFV conducted the IPO exclusively to acquire new capital. Old shares were not sold as part of the IPO, so the entire costs of the IPO were recognised directly in equity.
- FREP now explicitly denies this opinion for € 0.8 million (mainly employee shares), as there is no direct connection to the capital increase.
- For the remaining €2.8 million, it is noted that these were not allocated according to "meaningful codes" and that at least part of these costs should have been reported in the 2018 expenses. However, the FREP was unable to quantify this amount exactly. A breakdown by number of shares was not justifiable for us, as this would not have led to a causation-based breakdown.
- We would like to make it clear that these costs are already included in DFV's equity capital, so there is no change in DFV's asset situation or future results.

CareFlex Chemie

CareFlex Chemie

Background to the decision



Traditional insurance companies



DFV

In BaFin's view, extrapolation from past interest rates is not permissible for strongly growing insurance companies.

Alternative methods to the common ACIR method must have the same security (90%).

The interest rate achieved by DFV in 2020 is 2.5%.

CareFlex Chemie

Background to the decision

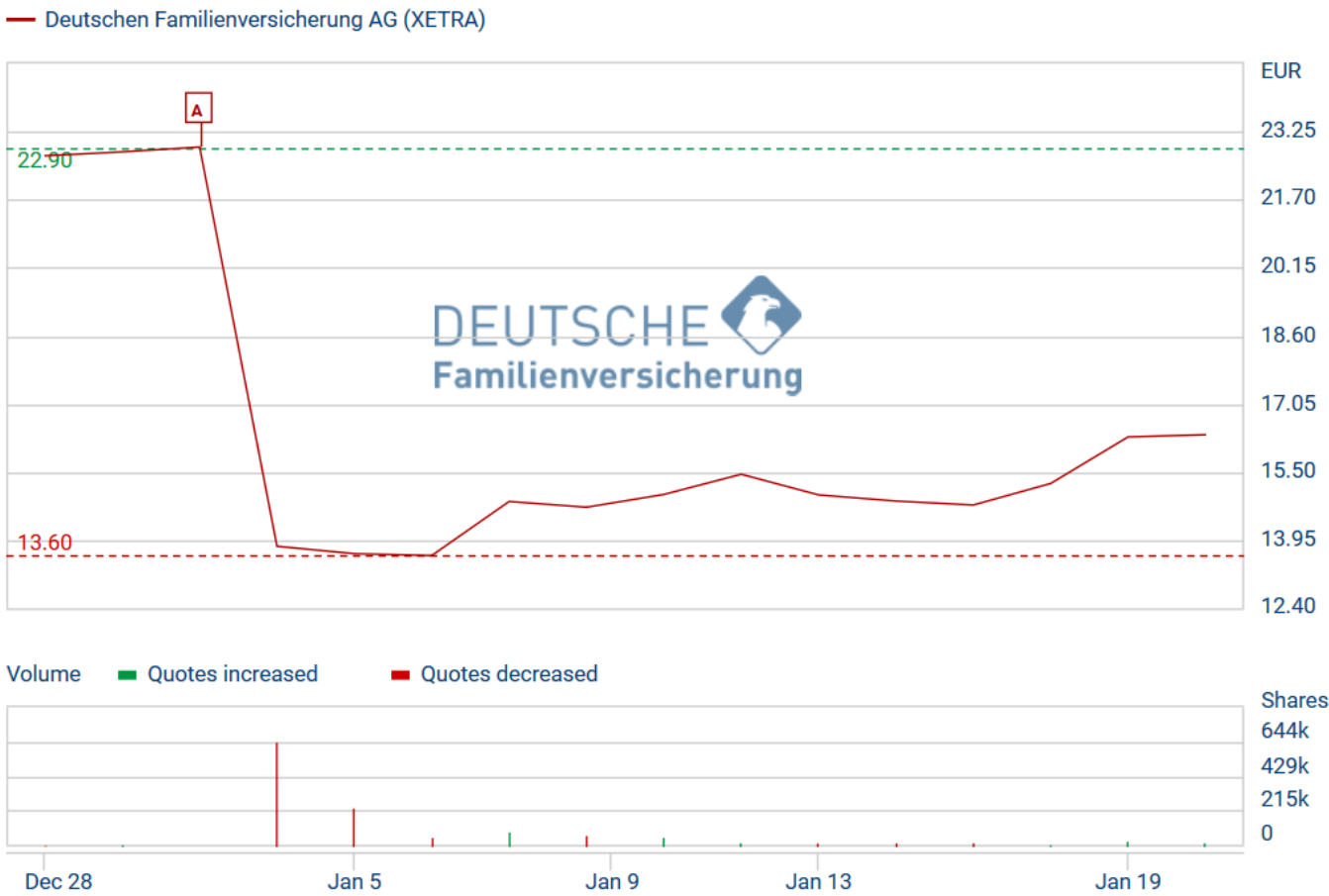
On 17 December 2020, DFV was requested by BaFin to provide evidence that the actuarial interest rate of 2% can be provided with sufficient security. A deadline of 31 December 2020 was set for this. BaFin formulated a requirement for the proof to confirm 90% security.



On 22 December 2020, DFV submitted an ALM study confirming adequate security. Since BaFin had informed the consortium at the same time that it currently did not have the proof of sufficient security of an underwriter and both R+V and Barmenia could think that it could only be DFV, we were therefore forced to exit as the consortium members – incorrectly – feared an infection of the interest rate in future premium adjustments.

Performance of the DFV AG share

Share price from 28.12.2020 to today



The termination agreement between consortium members was signed on 30 December 2020 after close of trading.

Summary

The **forced exit** from CareFlex is **frustrating** and ultimately **unfounded**.

Despite CareFlex Chemie, we **continued** our **regular insurance business in 2020** without any restrictions.

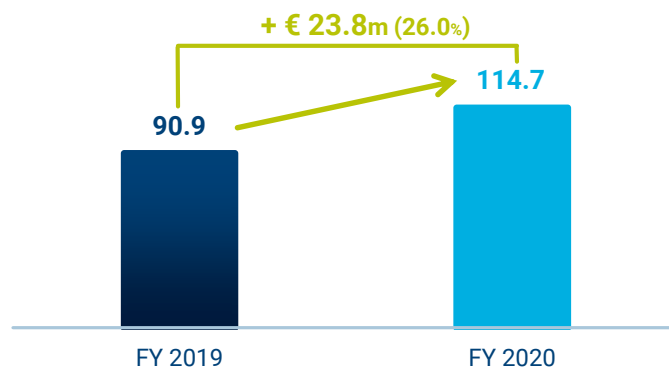


What we achieved in 2020

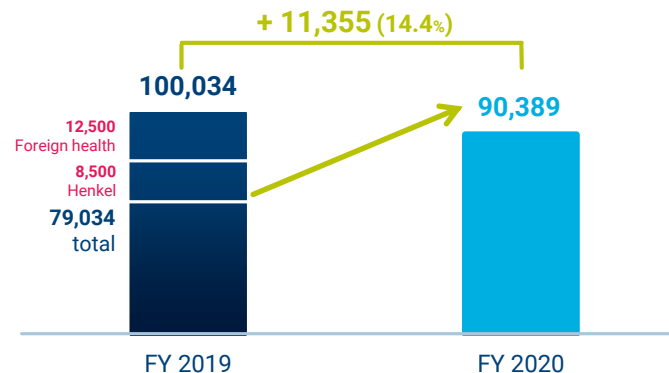
Above-average growth despite COVID-19

Preliminary key figures FY 2020 (IFRS)

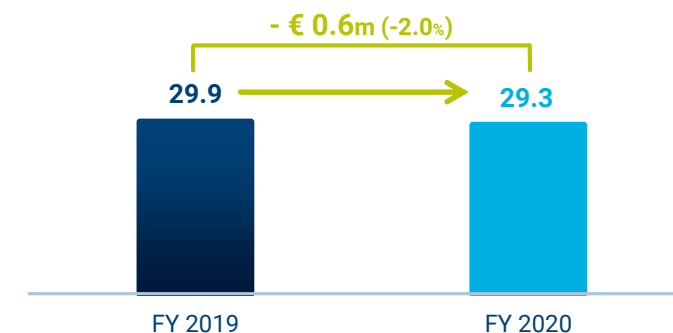
Gross premiums written in € million*



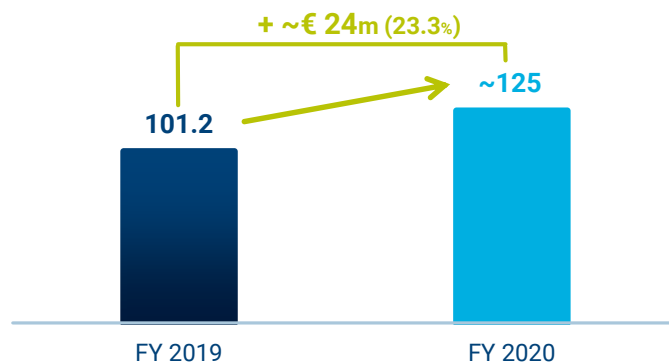
New business in policies



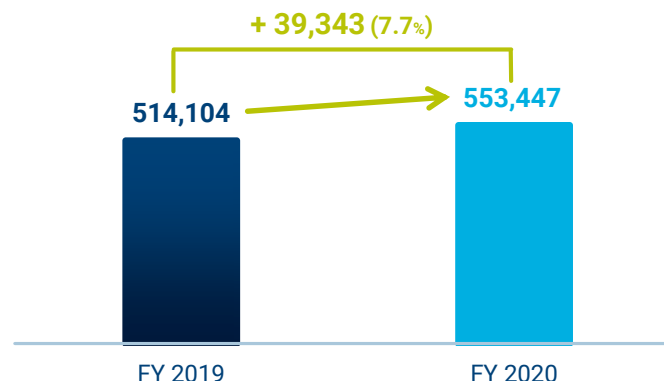
New business by premium volume in € million



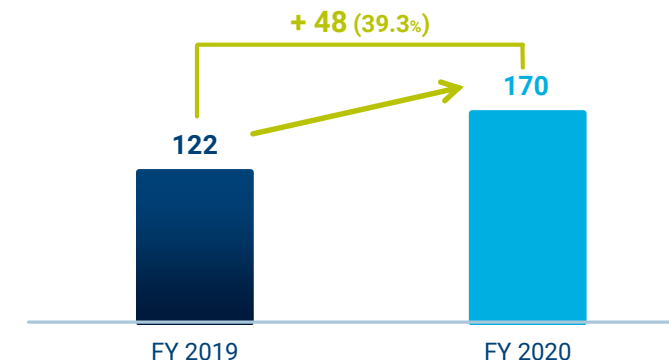
Existing premiums in € million



Total portfolio (number of policies) *



Employees



* Insurance industry 2020 as a total according to GDV industry data:

- Gross premiums written: € 220.1 bn (+1.2%)
- Policies: 448.6 million (+0.5%)

Source: <https://www.gdv.de/de/themen/news/geschaeftsentwicklung-2020---zahlen-im-ueberblick-65316>

Investing in our growth, profitable in our core business

Underwriting result according to IFRS

In € million	FY 2019	FY 2020	YOY change
Gross premiums written	90.2	114.6	+27%
Net premiums written	54.1	62.1	+15%
Expenses for insurance claims (gross)	-44.8	-69.0	+54%
Expenses for insurance claims (net)	-29.7	-35.7	+20%
Underwriting result I (gross)	45.4	45.6	0%
Underwriting result I (net)	24.4	26.4	+8%
Costs (without sales expenses; gross)	-17.3	-22.9	+32%
Costs (without sales expenses; net)	-10.2	-12.4	+21%
Underwriting result II (gross)	28.1	22.7	-19%
Underwriting result II (net)	14.2	14.1	-1%
Sales expenses (gross)	-37.5	-37.7	0%
Sales expenses (net)	-22.8	-24.8	+9%
Underwriting result III (gross)	-9.4	-15.0	+60%
Underwriting result III (net)	-8.6	-10.7	+25%
Capital investments (after costs)	+3.4	+0.8	-77%
Underwriting result IV (net)	-5.2	-9.95	+91%

Note: The **result** may still **change between +/- € 0.5 million**.

Further key figures FY 2020:

- **Combined Ratio (gross): + 7.0 PP**
 - FY 2020: 109.6%
 - FY 2019: 102.6%
- **Claims ratio (net): + 2.6 PP**
 - FY 2020: 63.1%
 - FY 2019: 60.5%
- **Market value capital investments: + 14.3%**
 - FY 2020: € 140m
 - FY 2019: € 122.5m

The target value for the 2020 result was between € -9 and -11 million and has been achieved.

What we achieved in 2020

- ✓ **Continuation of our classic insurance business,** despite:
 - CareFlex Chemie
 - COVID-19 pandemic
 - Two lockdowns
- ✓ **Achievement of our targets** with stable sales costs of 12 monthly premiums:
 - 90,000 new policies
 - ~ € 30 million new business
- ✓ **Thanks to excellent technology and our employees,** who are also committed to driving the business forward in their home offices.



Where we want to go

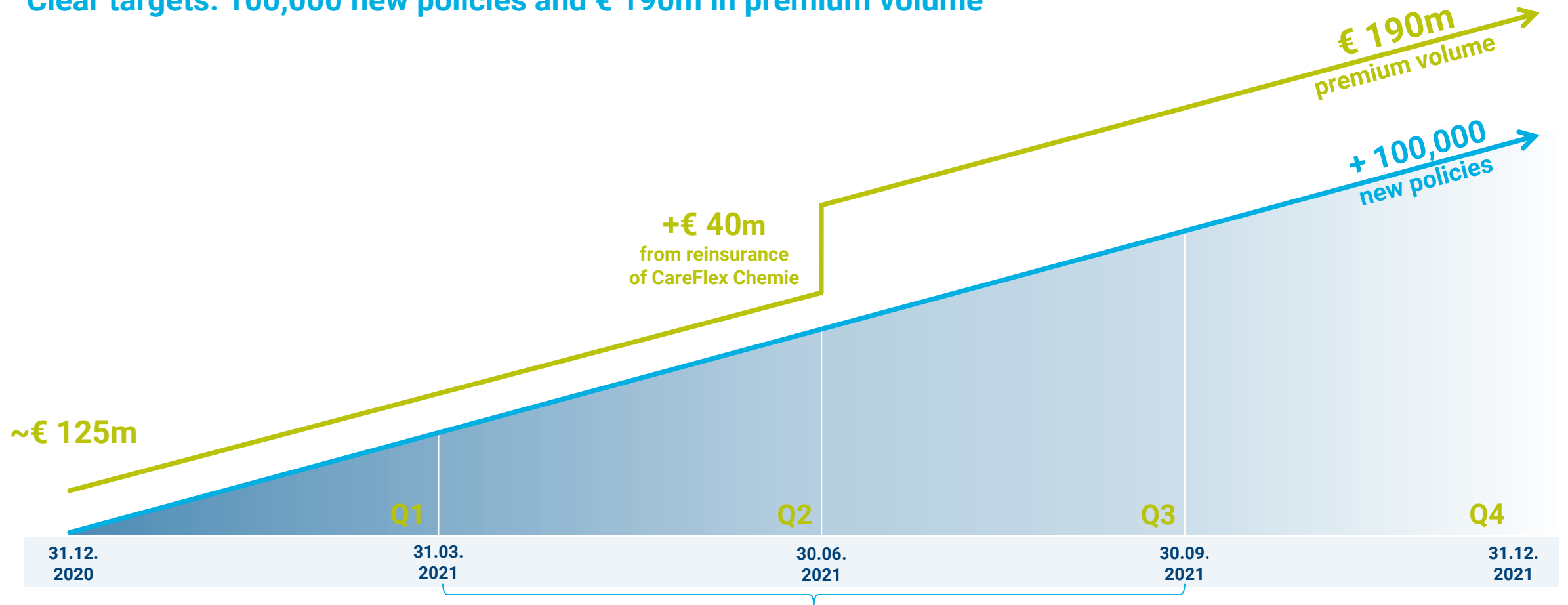
Our main targets for 2021:

- + 100,000 new policies
- + € 30 million new business
- Existing premiums of € 190 million
- Reduction of losses to € 4 million
- New markets
- New structures
- New insurance products
- More digitalisation
- New CFO



Our growth map 2021

Clear targets: 100,000 new policies and € 190m in premium volume



✓ New CFO

✓ New markets: Austria

✓ New risk carriers

✓ New products

Solid and guaranteed growth in our core business

New products



- **New** P&C products
- **New** combined insurance products

New risk carriers



Health



P&C



Life

- In coordination with **BaFin**, the **application** will be submitted in the **first half of 2021**

New markets



- Market entry in **Austria** in the second quarter 2021

More digitalisation

One focus for further **growth will be more digitalisation:**

- More **voice assistants**
- More **online communication**
- More **automation**



More digitalisation: the future's insurance take out

Alexa, I want supplementary dental insurance!

In 2018, a **skill** was already **programmed for digital product consulting** that conducts a **consulting dialogue** and accesses the actuarial calculation core via an **API interface**.

We are convinced that the **insurance take out of the future** will also take place via **digital voice assistants**. That's why you can already **take out DFV household, liability, dental and supplementary long-term care insurance** via Amazon's **Alexa**.



amazon pay



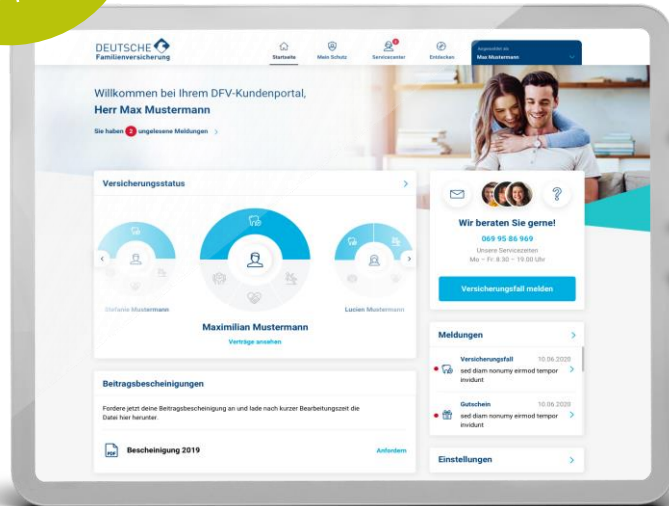
Login with Amazon

More digitalisation: best customer portal – best Chatbot*

Customer-centricity at its best

98%

of our new customers using the portal

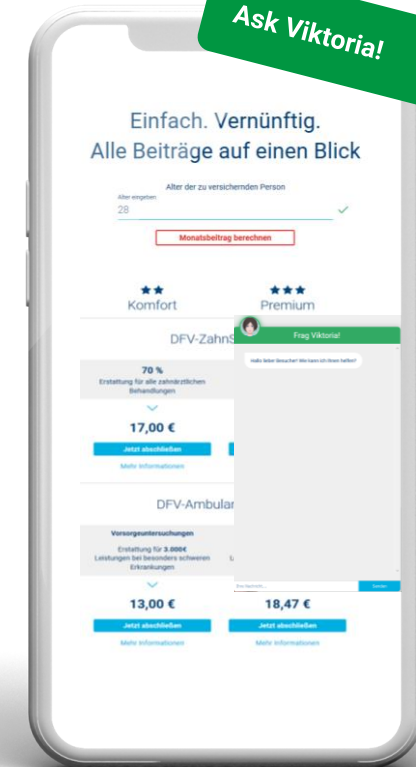


yvonne pietsch
★★★★★
Fast, uncomplicated, reliable. I am 100% satisfied. Never had any problems.

Stefan Bubel
★★★★★
Very simple and understandable for everyone. All his insurance policies under control.

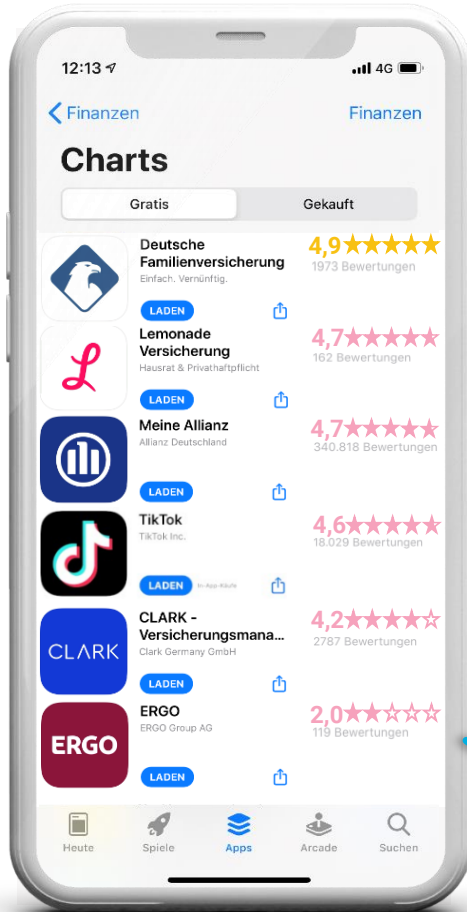
Robert Schroeter
★★★★★
Fast submission of the invoice, very good service, very good communication.

Ask Viktoria!



More digitalisation: best app – free insurance take out

Simply the best for our customers



Fast processing & simple operation

★★★★★

weirdcatworld

I am mega satisfied with the service and everything around it. The processing is fast and also the operation via the app is super simple. I can only recommend it.

Very good app! I am thrilled!

★★★★★

HI-DUS-85

I am thrilled with the design and usability of this app. In my opinion, you can't design an app better. Submitting an invoice is now easier than I could have dreamed of before.

Top!

★★★★★

Tatiana-HH

I am simply thrilled how customer-friendly this app is. How fast and easy it is to submit an invoice. Thank you very much! 😊

Over 65,000
downloads

IOS: 36,000
Android: 29,000
As at 31.12.2020

Over 99,000
invoices

IOS: 50,000
Android: 49,000
As at 31.12.2020



More than
2,100
contracts taken out
as of 31.12.2020

Highly rated app

App Store: 4.9 stars
Google Play Store: 4.9 stars

Also rated 4.9 stars
in Google Play Store!

The ratings are comments from real users. They were translated into English for this presentation.

More digitalisation

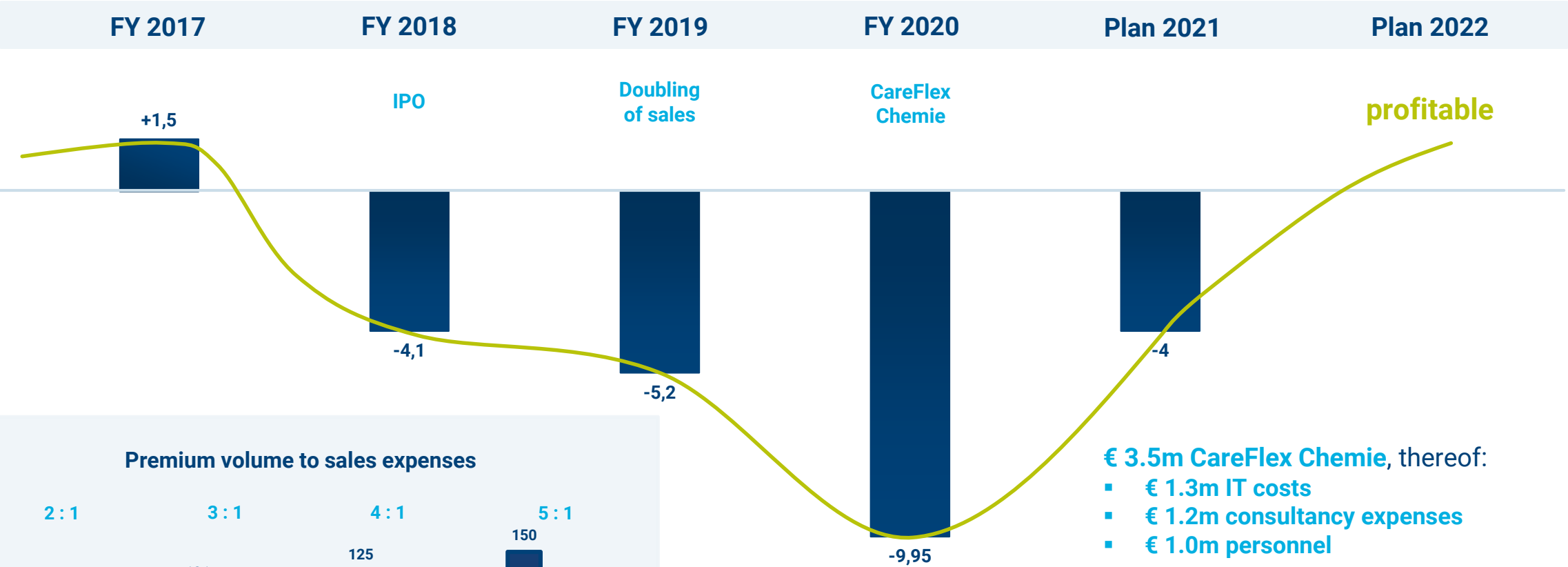
Continuation of digitalisation in claims and benefits settlement

- **Increasing dark processing rate** in benefits settlement
- **Increasing automation** in claims settlement
- **Expansion of artificial intelligence** in claims and benefits settlement
- **Completion of IT outsourcing**
- **System adjustments for expansion abroad**
- **Introduction of the combined insurance product**



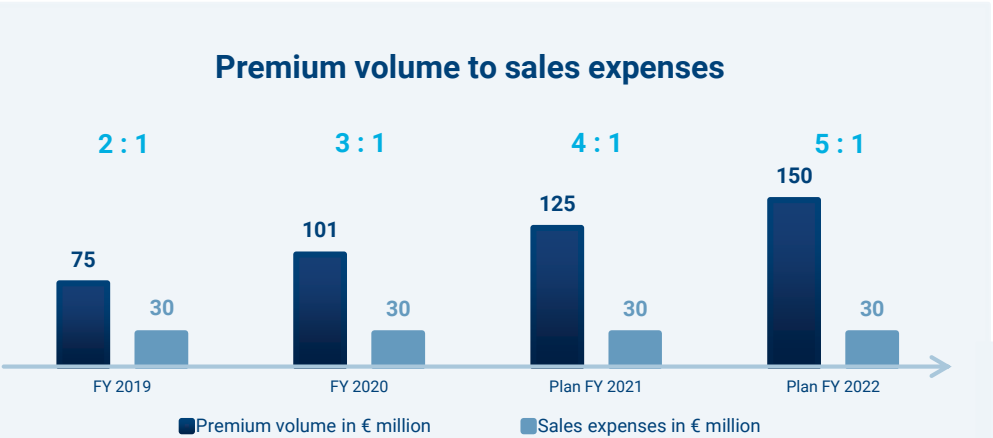
Result 2020

Result in € million



€ 3.5m CareFlex Chemie, thereof:

- € 1.3m IT costs
- € 1.2m consultancy expenses
- € 1.0m personnel



An insurance company can become profitable with a ratio of 5 : 1 or higher if sales expenses do not increase.

New CFO: Dr Karsten Paetzmann

New structure of the finance department

As of **1 February 2021**, **Dr Karsten Paetzmann** will take over the **CFO** function from CEO Dr Stefan Knoll, who has been managing it on an interim base.

Career:

- Since 2012: Various positions at **BDO**
 - Since 2018: Partner and Chair of Financial Services
 - Since 2013: Head of Global Financial Advisory Corporate Finance
 - Since 2012: Head of Financial Advisory
- Since 2015: Lecturer, **Frankfurt School of Finance & Management**



Guidance 2021


- ✓ **+ 100,000 new policies**
- ✓ **+ € 30 million new business**
- ✓ **New products**
- ✓ **New risk carriers**
- ✓ **New markets**

With a loss of only € 4 million^{*}

*Without consideration of the reinsurance contract CareFlex Chemie



Outlook: continuation of profitable growth

	2020	Guidance 2021	Targets 2022	Mid-Term Targets
Customers/ policies 	553,447	600,000	650,000	2,000,000
Premium volume 	~ € 125m	€ 190m	€ 220m	€ 500m
EBIT 	€ -9.95m	€ -4m	profitable	EBIT margin > 10%

Looking forward to your questions!



Dr Stefan M. Knoll
CEO & CFO

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Our next IR dates:

18/03	Annual Press Conference on the 2020 financial report
24/03	Metzler Micro Cap Days
12/05	Q1 results 2020
19/05	Annual General Meeting
21/05	German SMID Cap One-on-One Forum

DEUTSCHE 
Familienversicherung