



Annual results press conference 2021

DFV Deutsche Familienversicherung AG
FRANKFURT/MAIN | 18 March 2021

Preliminary remark

Agenda

1. Annual results 2020

Dr Stefan M. Knoll & Dr Karsten Paetzmann

2. Current business performance & outlook 2021

Dr Stefan M. Knoll

3. Questions



1. Annual results 2020

Dr Stefan M. Knoll & Dr Karsten Paetzmann

✓ **We essentially confirm the figures published on 21.01.2021.**

✓ **We are on target:**

Month	January 2021	Februar 2021	March (17.03.2021)
New policies	9,200	16,162	20,475
Premiums in € million	3.2	5.5	6.9

✓ **Our sales model is proving its worth in the pandemic.**

For the 6th time in a row, we have become the test winner in supplementary dental insurance!



We are the original and anyone who copies from us will also be a test winner!

Welcome Dr Karsten Paetzmann!

For the presentation of the 2020 figures in detail, I hand over to the new CFO of Deutsche Familienversicherung.



Annual results 2020

Dr Karsten Paetzmann

Annual results 2020

Premium development of selected products in a pandemic year



Relaxed smile and powerful bite:
Our premium income from supplementary dental insurance increased by 27% in 2020.

↑27%

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Focus on health:
Our premium income from daily sickness benefits insurance increased by 60% in 2020.

↑60%

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Well protected:
Our premium income from private liability insurance increased by 37% in 2020.

↑37%

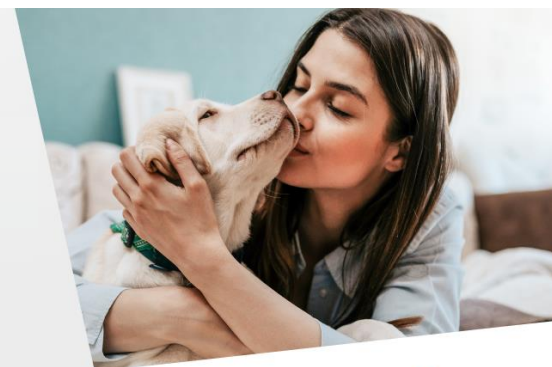
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Animal well-being:
Our premium income from pet health insurance increased by 805% in 2020.

↑805%

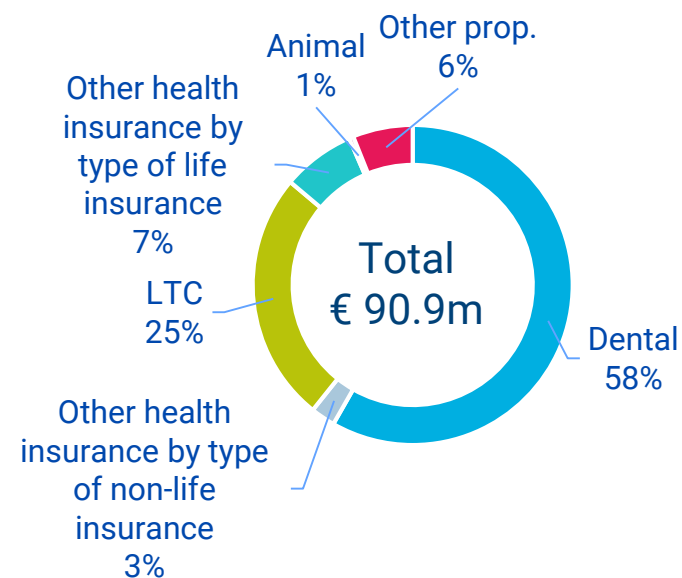
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Annual results 2020

Development of product mix

Portfolio mix 2019

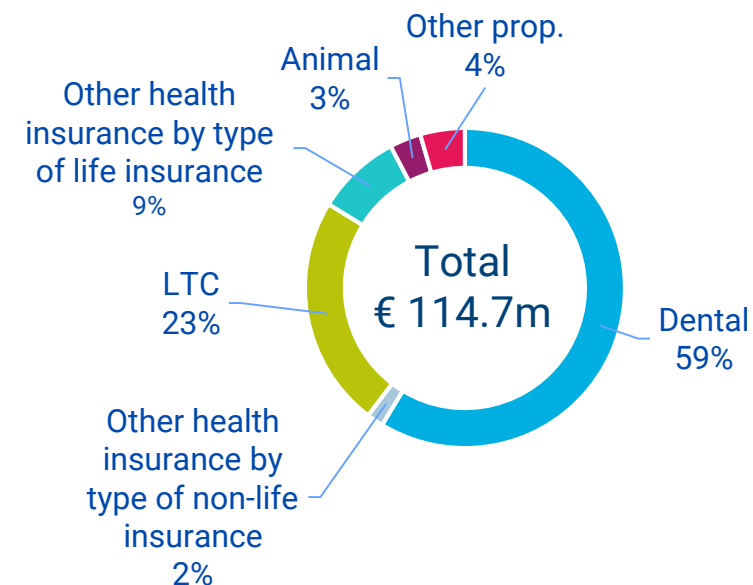


+26.2%

Overall growth in 2020, but hardly any change in product mix.

Above-average growth in core product dental (+27.1%) with lower net claims ratio (65.2% after 67.1%).

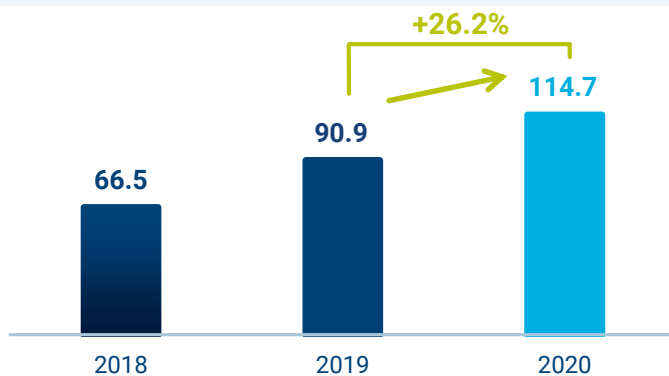
Portfolio mix 2020



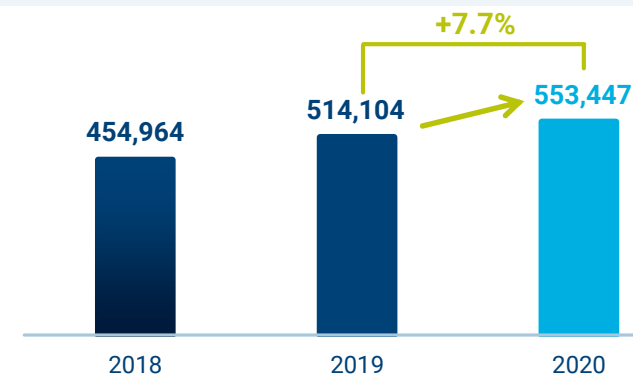
Annual results 2020

Portfolio and new business development

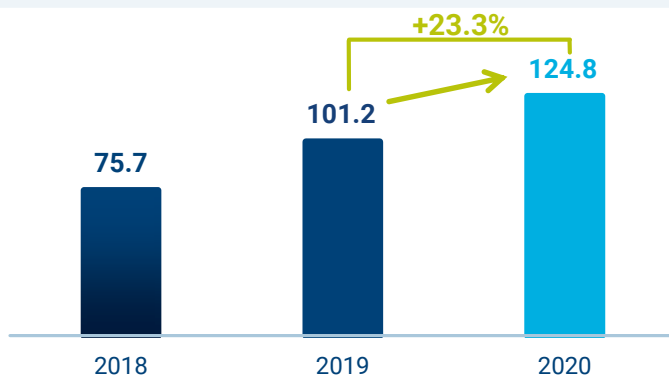
Gross premiums written in € million



Total portfolio (number of policies)

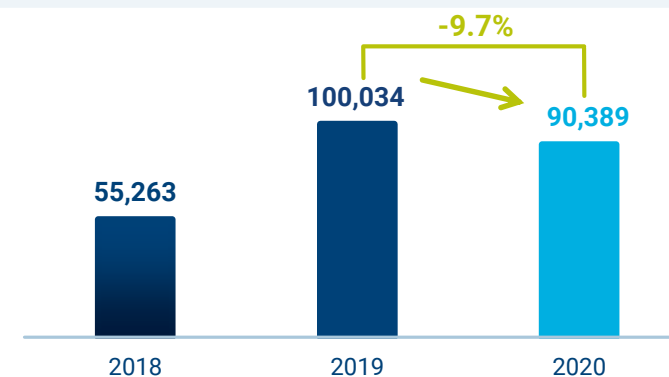


Premiums for one year in € million



Unrestricted
continuation of
this growth course
despite Covid-19

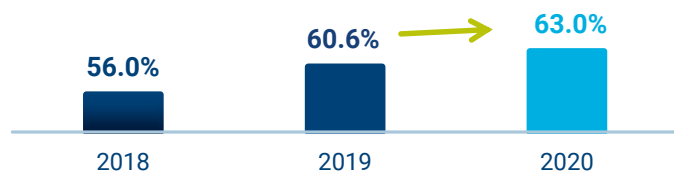
New business in policies



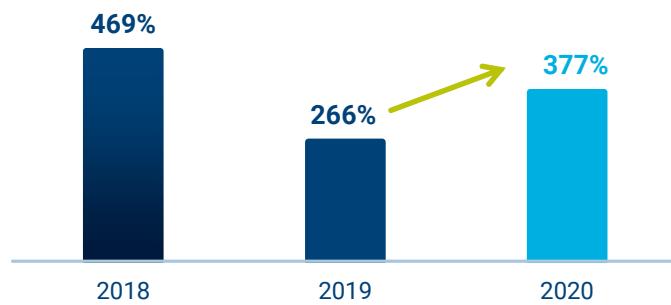
Annual results 2020

Stable operating result of the digital business model

Claims ratio (net)



SCR coverage ratio



The result is in line with the planned development and is characterised by further investments in growth that will have an impact on the result

Group result after taxes in € million



Group result in € million



Annual results 2020

Consolidated statement of comprehensive income

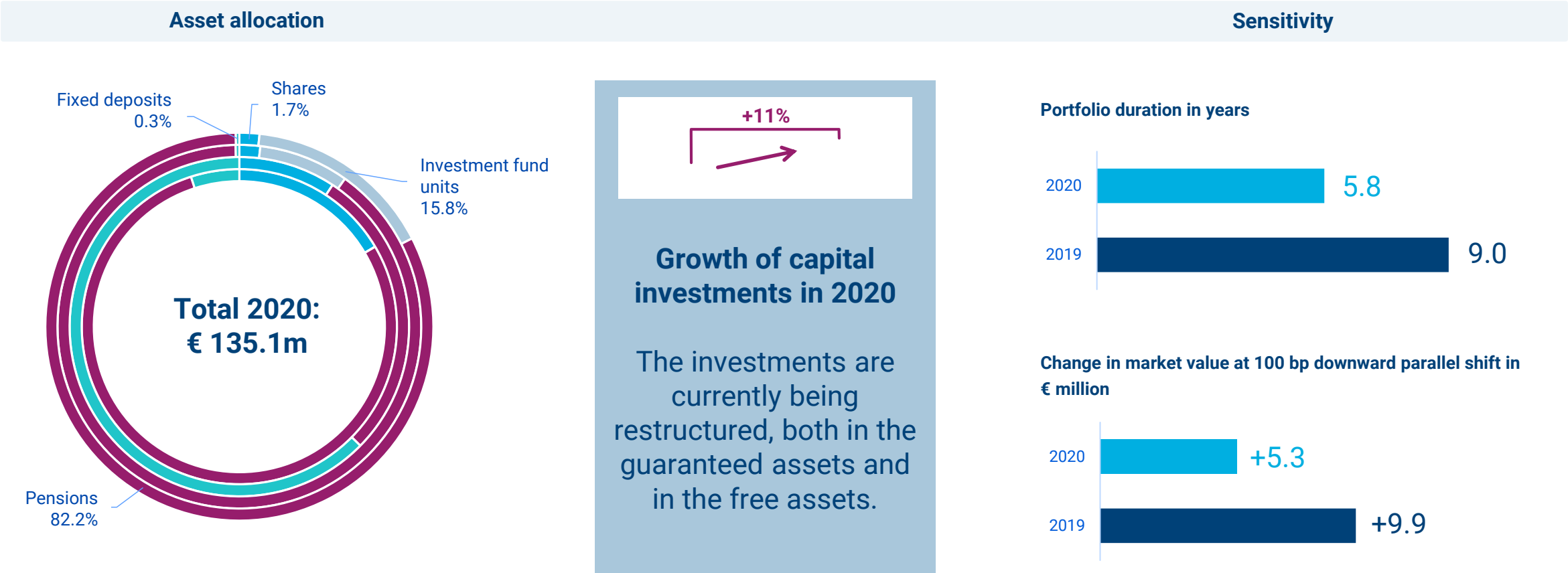
Consolidated statement of comprehensive income

€m	2019	2020	Delta	in %
Gross premiums written	90.9	114.7	+23.8	+26%
Net earned premiums	54.4	61.9	+7.5	14%
Investment income	3.4	0.9	-2.5	-75%
Other income	0.6	0.3	-0.3	-48%
Claim payments	-33.0	-39.5	-6.6	20%
Expenses for insurance operations	-25.4	-30.2	-4.8	19%
Other expenses	-5.3	-3.9	+1.3	-25%
Operating income	-5.2	-10.6	-5.4	103%
Financing expenses for leases	0.0	0.0	-0.0	2%
Annual profit before income taxes	-5.2	-10.6	-5.4	103%
Income taxes	3.1	3.1	+0.0	1%
Annual income	-2.1	-7.4	-5.3	254%
Unrealised gains and losses from capital investments	1.5	2.2	+0.8	53%
Total other comprehensive income	-0.6	-5.2	-4.6	721%
Number of contracts at the end of the period	514,104	553,447		
Change in number of policies compared to previous period	59,140	39,343		
New business in policies	100,034	90,389		
Cancellation/attrition in policies	-40,894	-51,046		
Gross written premium per unit in €	177	207		
Average number of employees	122	150		

AG result 2020 before taxes HGB €-9.7m
 Expense capital increase €1.2m
 Elimination HGB investment result €-3.3m
 IFRS fund result before costs €1.3m
 Elimination change in equalisation reserve €-0.1m
 Other result incl. subsidiaries €-0.1m
Group result 2020 before taxes IFRS €-10.6m

Annual results 2020

Capital investments



Asset allocation: based on AFS financial instruments; from 2017 (inner ring) to 2020 (outer ring; with percentages).
Interest rate risk: calculation according to BaFin Circular 11/2011; without options on bonds and swaptions

Annual results 2020

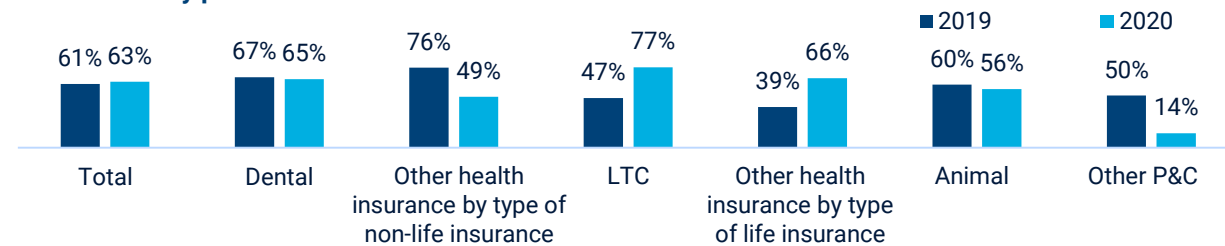
Underwriting provisions

Development of underwriting provisions

Includes new actuarial provisions for contingent losses of €550,000.

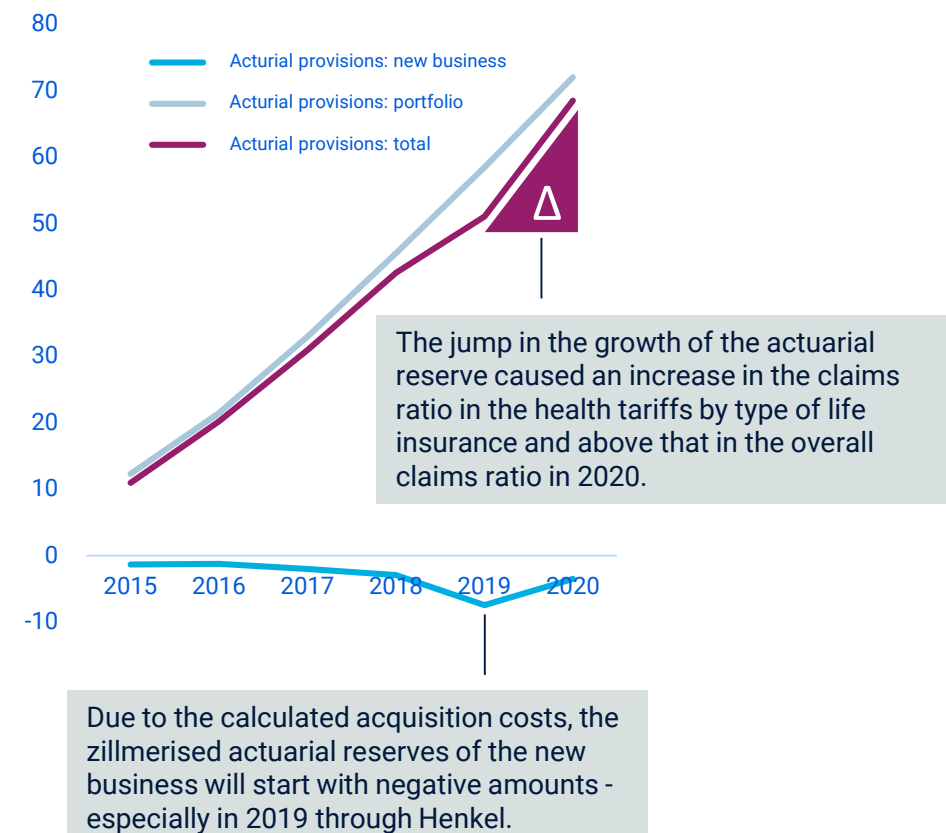
€m	2019	2020	Delta	in %
Unearned premiums	3.0	3.3	+0.4	+13%
Actuarial provisions	51.1	70.7	+19.6	+38%
Provisions for outstanding claims	13.0	14.8	+1.8	+13%
Other underwriting provisions	1.5	2.3	+0.7	+50%
Gross underwriting provisions	68.6	91.1	+22.5	+33%
Share of reinsurers	-40.5	-55.8	-15.3	+38%
Net underwriting provisions	28.1	35.3	+7.2	+26%
Share of reinsurers in %	59%	61%		

Claims ratio by product



Claims ratio: net claims/benefits in relation to net premiums earned
Actuarial reserves within the scope of the ageing provision pursuant to § 341f (3) HGB.

Effect of the zillmerised gross actuarial reserve in € million



Annual results 2020

Consolidated balance sheet

Consolidated balance sheet

€m	2019	2020	Delta	in %
Intangible assets	8.7	8.8	+0.2	+2%
Rights of use IFRS 16	2.1	1.4	-0.7	-33%
Capital investments	121.7	135.1	+13.3	+11%
Receivables	5.3	4.1	-1.1	-21%
Current bank balances	3.8	37.8	+34.0	+904%
Share of reinsurers in underwriting provisions	40.5	55.9	+15.4	+38%
Tax receivables	5.9	5.0	-0.8	-14%
Other assets	2.8	2.6	-0.2	-7%
Total assets	190.6	250.6	+60.0	+31%
Gross underwriting provisions	68.6	91.1	+22.5	+33%
Other provisions	3.4	3.4	+0.1	+2%
Liabilities	50.3	65.3	+14.9	+30%
Tax liabilities	3.8	0.0	-3.8	-100%
Total liabilities	126.1	159.8	+33.7	+27%
Equity capital	64.5	90.9	+26.4	+41%

Equity 2018 retroactively adjusted in accordance with FREP findings (redistribution within equity).
Reconciliation 2019-2020 :

Equity capital 2019	€64.5m
Capital increase	€32.4m
Capital increase costs	€-0.8m
Consolidated P&L result	€-7.4m
Other comprehensive income (OCI)	€2.2m
Equity capital 2020	€90.9m

Annual results 2020

FREP findings

The FREP has determined that the **2018 consolidated financial statements and management report are incorrect**. Regarding the costs of the IPO, the BaFin's order for disclosure reads:

"In the consolidated income statement for the financial year 2018, the consolidated **profit before tax is overstated** because costs related to the IPO in December 2018 were deducted directly from equity as transaction costs (IAS 39.9 - Transaction Costs) rather than as expenses. [...]

In addition, the **other comprehensive income of around € 2.5 million is too low** because the costs of the IPO of € 3.6 million less tax effects of € 1.1 million, which were offset in equity, were included in it. This violates IAS 1.109.

The **statement** of changes in equity of the transaction costs deducted directly from equity as a separate component of equity also contravenes IAS 1.106 (d) (iii) in conjunction with IAS 1.109."

The correction is made in the current account by adjusting the previous year's figures - see chapter 2 of the notes to the consolidated financial statements 2020.

In the HGB financial statements 2018, the expenses were already recognised in profit or loss



2. Current business performance & outlook 2021

Dr Stefan M. Knoll

For the 6th time in a row, we have become the test winner in supplementary dental insurance!



We are the original and anyone who copies from us will also be a test winner!

We have repeatedly been recognised as an innovative company!

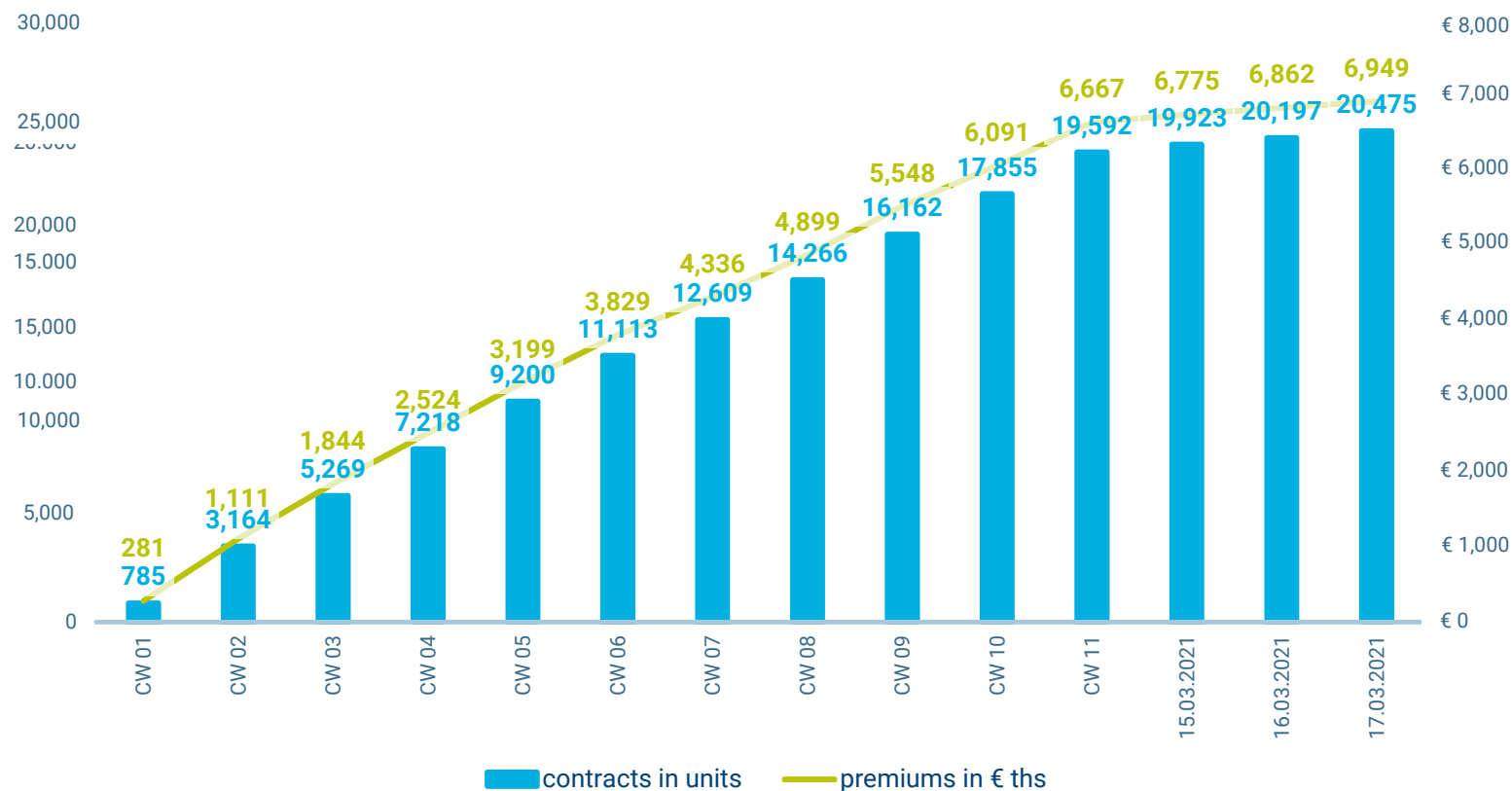
In a large-scale survey, the broadcaster "Welt" and the analysis and consulting company "Service Value" investigated which companies stand out for their particularly high innovative strength. Deutsche Familienversicherung was awarded the title "**Highest Innovative Strength**" as the **No. 1 direct insurer in the industry**.



The year has started well

On average approx. 1,800 new contracts per week

New business development since 01.01.2021 until 17.03.2021



The 1st quarter of 2021 has been **developing satisfactorily so far** against the backdrop of the Corona pandemic.

Since the beginning of the year, we have generated an **average of 1,800 new contracts per week** and with an average premium of **€ 606 thousand**.

We are on track

First-class sales: Fully digital. Fully simple.

Year	2018	2019	2020	Target	Actual
				2021 (02/21)	2021 (02/21)
Number of policies	55,227	100,034	90,389	16,666	16,162
Premiums in €m	17.6	29.9	29.3	5.0	5.5

We are on schedule

With regard to internationalisation:

- We will enter the Austrian market at the end of the second quarter.

With regard to the global product:

- Work on a combined insurance product is progressing well.
- The design of the savings product has started with Ethenea.
- The new combined insurance product will be available for sale in the second quarter.
- The savings component will follow.



Despite the the **successful start to 2021**, the **economic and political development in Germany** may **cause concern**:

We assume the following development of the Coronavirus pandemic:

- Increase in Coronavirus incidence to 300 by Easter.
- No substantial mitigation of the lock-down through vaccination.



Based on this, there is a **risk** that the **economic framework conditions will develop as follows:**

- Continuation of the ECB's zero interest rate policy
- Rise in unemployment
- Increase in corporate bankruptcies
- Reduction in economic output
- Increase in debt at all levels of government
- Further burden on society and state budget due to demographic development



In this context, the development of the situation must be closely monitored and we should be open to the question of whether ambitious growth should be replaced by only dynamic growth.

It may be that keeping corporate assets together becomes the order of the day.

Mind you, we are discussing this from the position of a successful sales organisation.



3. Questions



Thank you for your attention!



Dr Stefan M. Knoll
CEO



Dr Karsten Paetzmann
CFO

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Our next IR dates:

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

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