

The leading European InsurTech

DFV Deutsche Familienversicherung AG
Half-yearly financial report 2020

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Ladies and Gentlemen,

When the Executive Board prepared its strategy for 2020 which predicted growth of 100,000 contracts this year, it did so with a certain degree of respect for the task. The same target was extremely ambitious in the previous year too – it was no less than double the sales output of 2018 – yet a successful acquisition comparable to CareFlex Henkel which promised a strong start to the year failed to materialise in early 2020.

Therefore, as 2020 began, Deutsche Familienversicherung was forced to rely on its exceptional online marketing skills. And online sales in the first quarters were actually significantly higher than in the previous year. Deutsche Familienversicherung was more than just on track for its stated target for the year in January and February; the entire year was shaping up to be almost spectacular on the basis of the extrapolated results. Then came the coronavirus crisis. Although not a highly profitable one in the first place, the travel warnings issued by the German government caused the foreign health insurance business to collapse, which explains the slump in production. However, online sales in the other segments remained stable at pre-crisis levels and have stayed that way.

Deutsche Familienversicherung as a whole had to continue its business operations without restriction. By installing new technical equipment at every workstation, it was possible for almost all employees to work from home from one day to the next. Productivity remained at pre-coronavirus levels in spite of all concerns, allowing working remotely to establish itself as a viable alternative to stationary work in the office.

As there were not enough staff at Deutsche Familienversicherung to achieve its stated targets or to complete the “CareFlex Chemie” project, a completely novel personnel recruitment concept was set to be implemented in the form of project “COD”. In reality, Deutsche Familienversicherung was able to generate far in excess of 3,000 applications in just six weeks. This enabled us to fill all newly created positions. The majority of the recruitment took place in the first half of 2020.

Besides new business and adjusting basic business operations, CareFlex Chemie still had to be implemented. In order to realise this, the first industry solution from an employer-funded supplementary long-term care insurance provider, a consortium was formed with Deutsche Familienversicherung as the co-manager for product and administration. As the supplementary long-term care insurance in question had already been technically finalised in late 2019, the first half of 2020

entailed setting up the necessary processes and negotiations concerning the necessary contracts. The latter were finalised in June 2020. With regard to the former, Deutsche Familienversicherung is on schedule with implementation.

As CareFlex Chemie also has an IT component, the development work on that front is worthy of mention, not least due to the responsibility for the related processes. Back in 2019, we decided to transition the pre-existing IT infrastructure to a domestic service provider to make it significantly more powerful – a necessary change in order to map our planned growth. This twelve-month project is expected to be complete by the end of 2020 and is currently on schedule.

With the outbreak of the coronavirus crisis, the Executive Board decided to dispose of the shares it held. This resulted in the realisation of losses. In the meantime, all investments have been restructured and the realised losses have been largely negated.

To summarise, Deutsche Familienversicherung has been able to continue with its growth strategy and, by preparing for CareFlex Chemie, has paved the way for the company to double in 2021. The coronavirus crisis had and is having no negative effects on the ambitious new business of the company and the losses from capital investments, a reaction to the losses on the stock exchanges, have been largely negated. Overall, in terms of expected business results, Deutsche Familienversicherung was on schedule at the end of the first half of 2020.

The second half of the year will be a matter of paving the way for new company headquarters and restructuring the company. The separation of non-life and health insurance business will go hand-in-hand with the establishment of new risk carriers and the realisation of our intention to significantly expand our range of products and make preparations to expand outside of Europe. The capital increase which took place using the authorised capital in early July 2020 and generated an additional gross capitalisation of EUR 32 million for the company was carried out for these very purposes.

Warm regards,



Dr Stefan M. Knoll
Chief Executive Officer
Frankfurt am Main, 13 August 2020

CONSOLIDATED MANAGEMENT REPORT

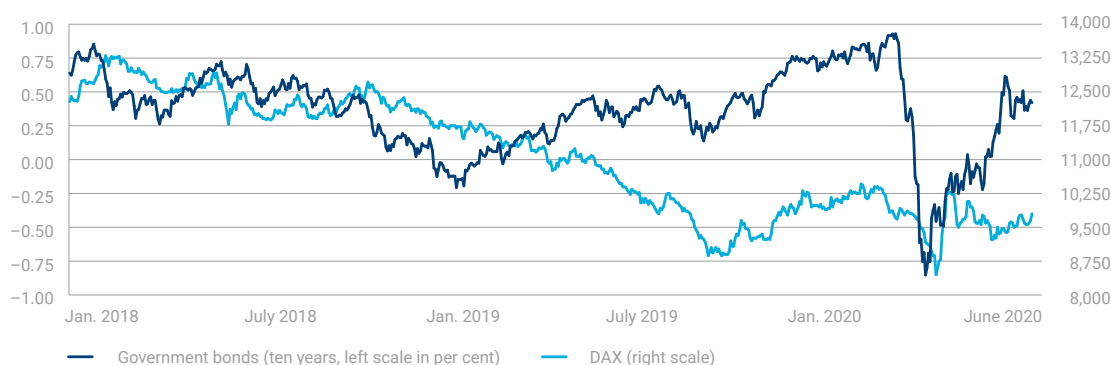
CONSOLIDATED MANAGEMENT REPORT

1 ECONOMIC ENVIRONMENT AND SECTOR DEVELOPMENT

According to the economic forecast of the ifo Institute on 1 July 2020, the prospects for economic development in 2020 are still cautiously optimistic despite the first half of the year having been massively affected by the COVID-19 pandemic. It caused the German economy to enter its most severe recession in its post-war history. Following a 1.8% decline in the first quarter of 2020, the gross domestic product decreased by another 11.7% in the second quarter. As the rate of new infections is slowing significantly, lockdown measures have now been relaxed or lifted entirely in some economic sectors. This has halted the economic downturn and allowed economic activity to start recovering. In light of the slowed production of goods and services, strong growth rates of 6.9% and 3.8% are expected in the third and fourth quarters. Nevertheless, the average rate of economic output in 2020 is expected to be 6.7% lower than in 2019. Further recovery is expected in the coming year and could cause the average gross domestic product for the year to grow by 6.4%.

The European Central Bank (ECB) is keeping the base interest rate at 0.00%. Many experts think it likely that interest rates will remain stable over the course of 2020, although some do consider a slight increase a possibility. However, fluctuations could occur due to the current economic uncertainty resulting from the coronavirus crisis. In the medium to long terms, many experts also expect the interest rates to stagnate. No long-term trend reversal with a strong increase in interest rates is likely at the moment.

TEN-YEAR GERMAN GOVERNMENT BONDS/DAX



The persistently low interest rates are making it increasingly difficult to generate sufficient capital income. Maintaining the long-term ability to meet obligations to policyholders is more dependent than ever on the company's ability to operate profitably in its core business.

2 DEVELOPMENT OF THE COURSE OF BUSINESS

Despite the massive disruption caused by COVID-19, the course of business can be considered exceptionally positive overall. All stated targets have been met with regard to growth and planned new business. Irrespective of this, Deutsche Familienversicherung is continuing its development process with great enthusiasm with regard to the further structuring of the product portfolio, the optimisation of internal processes, digitisation, customer service and capital investment.

2.1 Development of the stock price

The performance of the stock price of Deutsche Familienversicherung was extremely positive in the first half of 2020, especially in June 2020, after the stock price was able to stand its ground in spite of the massive turbulence in the capital markets earlier in the year. One of the drivers of the current high price was the recent IPO of the American InsurTech company Lemonade which highlighted that Deutsche Familienversicherung's stock was being undervalued. Other drivers of the upwards trend were the company's strong performance in the current financial year and the now approved care industry solution "CareFlex Chemie" with which Deutsche Familienversicherung will almost double its volume of business in 2021.

SHARE PRICE DEUTSCHE FAMILIENVERSICHERUNG



2.2 Development of new business

In a remarkable turn of events with regard to the economic damage caused by COVID-19, the success story of the previous year will continue seamlessly in 2020. With 46,415 newly concluded contracts, new business has been extremely successful and has almost matched the record set in the first half of 2019. Adjusted for the extraordinary item resulting from the collaboration with Henkel in connection with long-term care in the first half of 2019, the volume of new business has even increased by 16% year-on-year. The company's business model and its sales on digital sales channels have once again demonstrated their resilience here. We are therefore on schedule for new business, both with regard to new policies as well as new premiums.

2.3 Development of the product portfolio

We were successfully able to continue developing our non-life products. In particular, our reworked personal liability insurance has paid off by being rated as "very good" by the German consumer organisation Stiftung Warentest. We have acted on current market developments by revising our combined insurance products and our motor legal protection cover. We have also expanded our partnership with Pro.Sieben/Sat.1 in the field of pet health insurance. We have also been marketing liability insurance for dog owners under the brand name PETPROTECT

on the TV channels of Mediengruppe RTL since December 2019. Our positive experience with this partnership moved us to launch a new version of our dog insurance cover in early August 2020. For the fifth consecutive time, our supplementary dental insurance was honoured as the test winner by Stiftung Warentest in June 2020. Our supplementary long-term care insurance was also once again named the test winner by Stiftung Warentest. These repeated accolades demonstrate in impressive fashion that we are experts in health and supplementary long-term care insurance.

2.4 Outsourcing of IT infrastructure

The process of outsourcing our IT infrastructure which began in the second half of 2019 also involved refitting all workstations and transitioning all communications to Skype for Business. Every workstation was fitted with notebooks, docking stations and large monitors to make mobile work an option, either within the building or remotely from any location.

The decision to provide this equipment proved highly prescient with the announcement of the lockdown due to the COVID-19 pandemic. As such, business operations were able to resume immediately without interruption or restriction. Ever since the restrictions were imposed, around 90% of employees have been working from home with no negative impact on productivity. This is imperceptible to customers and business partners as all communications take place via Skype for Business.

Our outsourcing service provider completed the installation of a dedicated IT infrastructure in the first half of 2020 and migrated other services to the new infrastructure. We expect the outsourcing to be complete this year and our systems to operate entirely on the new infrastructure.

2.5 Advancement of digitisation

Automation

In the field of automation, the introduction of new processes resulted in significant growth in the number of cases processed fully automatically. The total number in 2019 was surpassed in the first half of 2020 alone. This represents growth of 54% year-on-year.

The DFV app

The continuous development of the DFV Versicherung app and the introduction of new features resulted in another significant improvement in the eyes of our customers. The DFV Versicherung app is receiving top marks in the various app stores from more than just insurers. It has achieved 4.8 and 4.9 out of five stars in the Apple App Store and the Google Play Store respectively from a total of 48,000 installations.

3 BUSINESS DEVELOPMENT

3.1 Underwriting income

In the first half of 2020, gross premiums increased by 28.3% compared to the first half of the previous year – from EUR 41,846,000 to EUR 53,701,000. Once again, this growth was driven by supplementary health insurance (supplementary dental insurance with +29.8% and long-term care insurance with +18.5%) as well as pet health insurance which was launched in May 2019 (contributing EUR 1.2 million in H1 2020 compared to EUR 25,000 in H1 2019).

Compared to the same period in the previous year, ceded reinsurance premiums increased by EUR 9,254,000 from EUR 16,116,000 to EUR 25,370,000. Net earned premiums increased by 10.6% from EUR 25.7 million to EUR 28.4 million.

The earned premiums did not increase as much as the gross premiums because the proportion of relatively highly reinsured supplementary dental insurance and supplementary long-term care insurance increased. This does not only affect the ceded share of the premiums; it also has a positive effect on distribution financing as well as the handling of insurance claims and the creation of reserves for losses. Therefore, compared to the previous year, the net expenses for insurance operations (which also include the net sales expenses) have decreased by EUR 258,000. Nevertheless, the number of new contracts concluded was around 16% higher than in the same period in the previous year, not taking the extraordinary item resulting from the collaboration with Henkel into consideration. The net payments to customers which include the creation of provisions for losses increased by EUR 1,648,000 from EUR 15,544,000 to EUR 17,192,000. Their development was almost completely consistent with the earned net premiums.

As in previous years, the continuation of the strong volume of new business brings with it high sales expenses. These sales expenses had a strong effect on the consolidated income of Deutsche Familienversicherung and caused it to become negative. Factoring them in is justified because it will pave the way for profitable insurance business in future.

In particular, Deutsche Familienversicherung is feeling the effects of the coronavirus pandemic in its consolidated income due to the net investment income of EUR –1.9 million which is described in more detail in the following section.

As expected, the underwriting income (according to the German Commercial Code) was EUR –3,304,000 in the first half of 2020 (compared to EUR –2,961,000 in the first half of 2019). The net loss ratio in the reporting period remained stable at 60.5% year-on-year.

3.2 Capital investment

The performance of capital investments in the first half of 2020 was characterised by the turbulence in the capital markets brought about by the coronavirus pandemic.

Deutsche Familienversicherung was quick to sell off its stock portfolios in the crisis. During the acute phase of the market crisis, it increased its proportion of cash as well as government and corporate bonds. This restructuring of its assets resulted in net capital losses of EUR 2,189,000 (compared to profit of EUR 1,176,000 in H1 2019). Current interest income of EUR 423,000 had the opposite effect (EUR 438,000 in H1 2019), while the capital investment administration expenses of EUR 178,000 (compared to EUR 131,000 in H1 2019) lowered the net investment income to EUR –1,944,000 in total (EUR 1,215,000 in H1 2019).

As at the reporting date for the half-yearly financial statements, the capital market had largely recovered and the average market values of the capital investments were already higher than their original purchase prices. Therefore, Deutsche Familienversicherung does not expect these negative market effects to recur in the second half of 2020.

3.3 Half-yearly income

In line with expectations, Deutsche Familienversicherung closes the first half of 2020 with a pre-tax loss. It increased by EUR 2,393,000 from EUR 3,595,000 for the first half of 2019 to EUR 5,988,000. After offsetting taxes, the loss after taxes for the first half of 2020 amounted to EUR 4,083,000 (EUR 2,756,000 in H1 2019).

The net investment income, EUR 3,159,000 lower than in the same period in the previous year due to the coronavirus crisis, was a key driver of the decrease in net income. Adjusted for this one-off effect, the consolidated income for the first half of 2020 was in line with expectations.

3.4 Cash flow and liquidity position

The cash flow from operating activities was EUR 3,896,000 in the first half of the year. With consideration for additional claims payments (EUR 2.45 million) through the reversal of reserves and the settlement of a sales invoice from 2019 (EUR 0.95 million), the adjusted operating cash flow amounts to EUR 7.5 million and is therefore equivalent to half of the value of the 2019 financial year.

The operating cash flow was used to further expand the capital investment portfolio, to expand the IT infrastructure and to repay the lease liability in the sense of IFRS 16. Since the start of the year, cash and cash equivalents have decreased by EUR 0.7 million from EUR 3.8 million to EUR 3.1 million.

At no point did Deutsche Familienversicherung experience difficulties in terms of its liquidity.

3.5 Opportunity and risk report

3.5.1 Introduction and description of the risk structure

In its annual report for 2019, 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 members of 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. The solvency ratio of Deutsche Familienversicherung was well above the legal requirements in the first half of 2020.

Deutsche Familienversicherung has an independent risk control unit (IRCU) that is tasked with the continuous, independent and objective implementation and development of the risk management system of the company. The principle of proportionality is applied when designing the IRCU and the risk management system.

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

- Underwriting opportunities and risks
- Risks from the default of receivables from insurance business
- Opportunities and risks from capital investments, in particular market risks
- Operational risks
- Liquidity risks
- Reputational risks
- Strategic opportunities and risks

3.5.2 Summary of the risk situation

In summary, based on the current information and the described conditions, Deutsche Familienversicherung determines that there are no present developments which would endanger the existence of the company or which would significantly hinder the asset, financial and earnings position of the company or its ability to bear risks.

3.6 Forecast report

Deutsche Familienversicherung will continue its growth course in the second half of 2020 and will not deviate from its stated target of 100,000 new policies. On the basis of the present half-yearly figures and the expectations for the remainder of the year, Deutsche Familienversicherung still expects a pre-tax loss of between EUR 9 and 11 million for 2020 as a whole. This does not factor in investments resulting from the capital increase which could potentially affect the net income for 2020. There is inherent uncertainty in this forecast in light of the potential economic impact of a second wave of COVID-19 as well as potential turbulence on the capital market.

Thanks to the significant growth in premiums expected for 2021 primarily driven by the new CareFlex policies, Deutsche Familienversicherung expects the preparation expenses for this product from 2020 to be compensated for. Overall, Deutsche Familienversicherung expects results to be positive from 2021 onwards.

In order to make it possible for Deutsche Familienversicherung to achieve its targets more quickly and consistently, a roughly 10% capital increase was carried out with an issue price of EUR 24.40 on 7 July 2020. For more information, see the report on events after the reporting date.

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET AS OF 30 JUNE 2020

ASSETS				
In EUR	Notes	30/06/2020	30/06/2019	31/12/2019
A. Intangible assets				
I. Goodwill		0	0	0
II. Other intangible assets		8,826,818	8,868,203	8,664,778
Total A.	2.1.1	8,826,818	8,868,203	8,664,778
B. Rights of use pursuant to IFRS 16	2.1.2	1,711,092	2,395,530	2,053,311
C. Investments				
I. Loans receivable		0	0	0
II. Financial investments held for sale		120,506,490	106,516,897	121,742,488
III. Financial investments measured at fair value through profit or loss		0	0	0
IV. Other capital investments		0	0	0
Total B.	2.1.3	120,506,490	106,516,897	121,742,488
D. Receivables				
I. Receivables from direct insurance business				
1. From policyholders		1,241,941	741,904	1,227,211
2. From insurance brokers		40,739	13,244	35,386
		1,282,680	755,148	1,262,598
3. Other receivables		5,150,004	1,506,608	3,987,406
Total C.	2.1.4	6,432,684	2,261,756	5,250,004
E. Current bank balances		3,065,284	15,999,911	3,763,249
F. Share of reinsurers in underwriting provisions				
I. Unearned premiums	2.1.5.1	962,961	537,950	558,987
II. Actuarial provisions	2.1.5.2	43,349,281	35,489,249	37,021,379
III. Provisions for outstanding claims	2.1.5.3	2,992,037	2,848,058	2,904,870
IV. Other underwriting provisions		11,183	9,766	14,655
Total E.	2.1.5	47,315,462	38,885,023	40,499,892
G. Tax receivables				
I. From current taxes		0	0	0
II. From deferred taxes		7,768,305	2,563,714	5,873,839
Total F.	2.1.6	7,768,305	2,563,714	5,873,839
H. Other assets	2.1.7	3,782,837	2,478,990	2,755,912
Total assets		199,408,972	179,970,024	190,603,473

LIABILITIES				
In EUR	Notes	30/06/2020	30/06/2019	31/12/2019
A. Equity				
I. Share capital		26,523,240	26,523,240	26,523,240
II. Capital reserves		42,248,735	42,248,735	42,248,735
III. Loss carried forward/retained earnings		-4,971,264	-2,870,904	-2,870,904
IV. Other reserves			0	
1. Unrealised gains and losses	2.2.1	-853,723	1,621,106	695,670
Total IV.		-853,723	1,621,106	695,670
V. Consolidated net income for the year attributable to the shareholders of the parent company		-4,083,081	-2,755,693	-2,100,360
Total A.		58,863,907	64,766,483	64,496,381
B. Gross underwriting provisions				
I. Unearned premiums	2.2.2.1	3,299,150	2,570,586	2,965,818
II. Actuarial provisions	2.2.2.2	60,999,104	48,372,736	51,078,393
III. Provisions for outstanding claims	2.2.2.3	11,644,718	11,875,378	13,046,828
IV. Other underwriting provisions	2.2.2.4-5	1,449,562	529,680	1,507,888
Total B.	2.2.2	77,392,534	63,348,379	68,598,927
C. Other provisions	2.2.3	3,073,622	4,773,333	5,433,460
D. Liabilities				
I. Liabilities from direct insurance business				
1. To policyholders		295,182	367,997	237,180
2. To insurance brokers		1,202,014	993,436	891,643
		1,497,197	1,361,434	1,128,823
3. Other liabilities		55,803,126	43,926,831	47,118,146
Total D.	2.2.4	57,300,323	45,288,265	48,246,969
E. Tax liabilities				
I. From current taxes		252,050	197,670	550,510
II. From deferred taxes		2,526,536	1,595,893	3,277,226
Total E.	2.1.6	2,778,586	1,793,563	3,827,737
Total liabilities		199,408,972	179,970,024	190,603,473

STATEMENT OF COMPREHENSIVE INCOME

In EUR	Notes	First half 2020	First half 2019	2019
I. Income statement (with effect on income)				
1. Written premiums				
a) Gross		53,700,838	41,845,687	90,919,027
b) Share of reinsurers		25,369,917	16,115,974	36,125,527
		28,330,921	25,729,713	54,793,500
2. Change in unearned premiums				
a) Gross		-333,331	33,585	428,817
b) Share of reinsurers		403,974	-20,194	843
		70,643	53,779	427,973
3. Net earned premiums				
		28,401,564	25,675,934	54,365,526
4. Income from capital investments				
	2.3.2	-1,944,417	1,214,821	3,401,055
5. Other revenue				
	2.3.3	93,260	74,825	629,608
Total revenue and net investment income				
		26,550,407	26,965,580	58,396,189
6. Claim payments to customers				
a) Gross		31,377,614	23,631,764	48,035,322
b) Share of reinsurers	2.3.4	14,185,408	8,087,605	15,084,904
		17,192,206	15,544,158	32,950,418
7. Expenses for insurance operations				
a) Gross		24,654,030	22,845,663	47,224,132
b) Share of reinsurers	2.3.5	11,820,009	9,753,691	21,838,522
	2.3.6	12,834,020	13,091,972	25,385,610
8. Other expenses				
		2,501,691	1,924,405	5,263,494
Total expenses				
		32,527,918	30,560,535	63,599,522
9. Operating income				
		-5,977,511	-3,594,955	-5,203,333
10. Financing expenses for leases				
		10,652	0	19,098
11. Annual profit before taxes				
		-5,988,163	-3,594,955	-5,222,431
12. Income taxes				
		1,905,082	-839,262	-3,122,071
13. Annual income				
		-4,083,081	-2,755,693	-2,100,360
Of which attributable to shareholders in the parent company		-4,083,081	-2,755,693	-2,100,360
Of which attributable to minority interests		0	0	0
Earnings per share				
		-0.31	-0.21	-0.16
II. Other income (no effect on profit or loss)				
14. Unrealised gains and losses from capital investments				
		-1,549,393	2,391,463	1,466,027
Total other comprehensive income				
		-1,549,393	2,391,463	1,466,027
III. Total comprehensive income				
		-5,632,474	-364,230	-634,333
Of which attributable to shareholders in the parent company		-5,632,474	-364,230	-634,333
Of which attributable to minority interests		0	0	0

DEVELOPMENT OF CONSOLIDATED EQUITY

In EUR thousand	Subscribed capital	Capital reserves	Retained earnings	Reserve for unrealised gains and losses	Consolidated equity
As of 31 December 2017	34,110	3,894	-17,854	-699	19,451
Change to the scope of consolidation	0	0	0	0	0
Gains and losses recognised directly in equity / IPO costs	0	-2,473	0	0	-2,473
Consolidated income	0	0	-3,339	0	-3,339
Other comprehensive income (OCI)	0	0	0	-71	-71
Dividends paid	0	0	0	0	0
Capital decrease	-16,202	-2,119	18,321	0	0
Capital increase	7,600	38,000	0	0	45,600
As of 31 December 2018	25,508	37,302	-2,872	-770	59,168
Change to the scope of consolidation	0	0	0	0	0
Gains and losses recognised directly in equity / overallotment costs	0	-130	0	0	-130
Consolidated income	0	0	-2,100	0	-2,100
Other comprehensive income (OCI)	0	0	0	1,466	1,466
Dividends paid	0	0	0	0	0
Capital increase	1,015	5,077	0	0	6,092
As of 31 December 2019	26,523	42,249	-4,972	696	64,496
Change to the scope of consolidation	0	0	0	0	0
Gains and losses recognised directly in equity	0	0	0	0	0
Consolidated income	0	0	-4,083	0	-4,083
Other comprehensive income (OCI)	0	0	0	-1,549	-1,549
Dividends paid	0	0	0	0	0
Capital decrease	0	0	0	0	0
Capital increase	0	0	0	0	0
As of 30 June 2020	26,523	42,249	-9,054	-854	58,864

STATEMENT OF CASH FLOW

In EUR	First half 2020	First half 2019	2019
1. Income for the period before extraordinary items	-4,083,081	-2,755,693	-2,100,360
2. Change in net underwriting provisions	1,978,037	3,237,639	6,855,752
3. Change in deposit receivables and liabilities as well as accounts receivable and payable	8,393,107	8,933,992	10,396,029
4. Change in other receivables and liabilities	-1,394,056	1,146,048	3,186,788
5. Gains and losses from the disposal of capital investments	2,189,313	0	-3,407,687
6. Change in other balance sheet items	-4,524,154	6,361,006	1,335,233
7. Other expenses and revenue recognised through profit or loss	1,336,800	914,535	-1,934,288
I. Cash flow from operating activities	3,895,966	17,837,527	14,331,457
9. Incoming payments for the sale and maturity of other capital investments	88,796,933	0	2,814,805
10. Outgoing payments for the acquisition of other capital investments	-91,944,059	-16,463,853	-26,666,642
11. Other payments received	383,514	-38,201	0
12. Other outgoing payments	-1,478,551	-461,987	-1,158,359
II. Cash flow from investing activities	-4,242,163	-16,924,041	-25,010,196
13. Incoming payments from additions to equity	0	6,092,940	6,092,940
14. Repayment of liabilities	-351,767	0	-684,437
III. Cash flow from financing activities	-351,767	6,092,940	5,408,503
Change in funds for financing purposes	-697,965	6,966,426	-5,270,236
Funds for financing purposes at the beginning of the period	3,763,249	9,033,485	9,033,485
Funds for financing purposes at the end of the period	3,065,284	15,999,911	3,763,249

SEGMENT REPORTING

BALANCE SHEET

In EUR	Supplementary health			Damage/accident			Total		
	First half 2020	2019	First half 2019	First half 2020	2019	First half 2019	First half 2020	2019	First half 2019
A. Intangible assets									
I. Goodwill	0	0	0	0	0	0	0	0	0
II. Other intangible assets	8,228,504	7,486,220	7,766,352	598,314	1,178,559	1,101,850	8,826,818	8,664,778	8,868,202
Total A.	8,228,504	7,486,220	7,766,352	598,314	1,178,559	1,101,850	8,826,818	8,664,778	8,868,202
B. Right of use pursuant to IFRS	1,595,108	1,919,736	2,239,285	115,984	133,575	156,245	1,711,092	2,053,311	2,395,530
C. Investments									
I. Loans receivable	0	0	0	0	0	0	0	0	0
II. Financial investments held for sale	112,338,120	116,642,136	100,885,932	8,168,370	5,100,352	5,630,965	120,506,490	121,742,488	106,516,897
"III. Financial investments measured at fair value through profit or loss"	0	0	0	0	0	0	0	0	0
IV. Other capital investments	0	0	0	0	0	0	0	0	0
Total C.	112,338,120	116,642,136	100,885,932	8,168,370	5,100,352	5,630,965	120,506,490	121,742,488	106,516,897
D. Receivables									
I. Receivables from direct insurance business									
1. From policyholders	1,157,758	632,073	562,604	84,183	595,139	179,300	1,241,941	1,227,211	741,904
2. From insurance brokers	37,978	28,309	12,319	2,761	7,077	925	40,739	35,386	13,244
	1,195,736	660,382	574,923	86,945	602,216	180,225	1,282,680	1,262,598	755,148
3. Other receivables	4,800,918	3,728,011	1,325,407	349,086	259,395	181,201	5,150,004	3,987,406	1,506,608
Total D.	5,996,653	4,388,393	1,900,330	436,031	861,611	361,426	6,432,684	5,250,004	2,261,756
E. Share of reinsurers in underwriting provisions									
I. Unearned premiums	897,688	387,859	325,447	65,273	171,128	212,503	962,961	558,987	537,950
II. Actuarial provisions	43,349,281	37,021,379	35,489,249	0	0	0	43,349,281	37,021,379	35,489,249
III. Provisions for outstanding claims	2,789,226	1,729,275	1,446,450	202,811	1,175,596	1,401,608	2,992,037	2,904,870	2,848,058
IV. Other underwriting provisions	10,425	13,702	9,766	758	953	0	11,183	14,655	9,766
Total E.	47,046,620	39,152,214	37,270,912	268,842	1,347,677	1,614,111	47,315,462	40,499,891	38,885,023
F. Other segment assets	13,625,671	11,586,792	19,205,104	990,755	806,208	1,837,512	14,616,426	12,393,000	21,042,616
Total segment assets	188,830,676	181,175,490	169,267,915	10,578,296	9,427,983	10,702,109	199,408,973	190,603,473	179,970,024

In EUR	Supplementary health			Damage/accident			Total		
	First half 2020	2019	First half 2019	First half 2020	2019	First half 2019	First half 2020	2019	First half 2019
A. Gross underwriting provisions									
I. Unearned premiums	3,075,522	1,842,053	1,479,660	223,628	1,123,765	1,090,926	3,299,150	2,965,818	2,570,586
II. Actuarial provisions	60,999,104	51,078,393	48,372,736	0	0	0	60,999,104	51,078,393	48,372,736
III. Provisions for outstanding claims	10,855,396	7,963,400	7,139,650	789,322	5,083,427	4,735,718	11,644,718	13,046,828	11,875,368
IV. Other underwriting provisions	1,351,305	1,497,896	515,551	98,257	9,992	14,139	1,449,562	1,507,888	529,690
Total A.	76,281,327	62,381,742	57,507,597	1,111,207	6,217,185	5,840,783	77,392,534	68,598,927	63,348,380
B. Other provisions	2,865,281	5,079,994	4,543,012	208,341	353,466	230,321	3,073,622	5,433,460	4,773,333
C. Other segment liabilities	59,266,164	51,456,230	46,148,489	812,745	618,476	933,339	60,078,909	52,074,706	47,081,828
Total segment liabilities	138,412,772	118,917,966	108,199,098	2,132,293	7,189,126	7,004,443	140,545,065	126,107,092	115,203,541

INCOME STATEMENT

In EUR	Supplementary health		Damage/accident		Total	
	First half 2020	2019	First half 2020	2019	First half 2020	2019
1. Written premiums from insurance business	50,060,799	39,116,368	3,640,039	2,729,318	53,700,838	41,845,686
2. Net earned premiums	25,561,147	23,185,073	2,840,417	2,490,862	28,401,564	25,675,935
3. Income from capital investments	-1,749,957	1,109,114	-194,460	105,707	-1,944,417	1,214,821
4. Other revenue	83,933	68,561	9,327	6,264	93,260	74,825
Total revenue	23,895,123	24,362,748	2,655,284	2,602,832	26,550,407	26,965,581
5. Claim payments to customers	16,724,990	14,503,693	467,216	1,040,466	17,192,206	15,544,159
6. Expenses for insurance operations	9,377,899	12,211,599	3,456,122	880,372	12,834,021	13,091,971
7. Other expenses	2,251,499	1,842,240	250,192	82,165	2,501,691	1,924,405
Total expenses	28,354,388	28,557,532	4,173,530	2,003,003	32,527,918	30,560,535
8. Operating income	-4,459,265	-4,194,785	-1,518,246	599,830	-5,977,511	-3,594,955
9. Financing expenses	9,587	0	1,065	0	10,652	0
10. Annual profit before taxes	-4,468,852	-4,194,784	-1,519,311	599,830	-5,988,163	-3,594,955
11. Income taxes	-1,421,726	-981,508	-483,356	142,246	-1,905,082	-839,262
12. Annual income	-3,047,126	-3,213,276	-1,035,955	457,583	-4,083,081	-2,755,693

ADDITIONAL INFORMATION

In EUR	Supplementary health		Damage/accident		Total	
	First half 2020	2019	First half 2020	2019	First half 2020	2019
Interest revenue	1,225	1,680	136	180	1,362	1,860
Interest expenses	441,708	352,156	49,084	37,833	490,791	389,989
Scheduled depreciation and amortisation	1,194,513	824,060	132,737	88,532	1,327,250	912,591
Significant non-cash revenue (+) and expenses (-)*	0	0	0	0	0	0

* Excluding scheduled depreciation and amortisation.

The 2019 period has been adjusted for comparative purposes. The sections entitled "Other" and "Consolidation effects" have been merged and moved to the core segments.

CONSOLIDATED NOTES

1. GENERAL INFORMATION

1.1 Bases of the report

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

For existing and unchanged IFRS, the accounting, valuation, consolidation and disclosure principles applied to prepare the condensed consolidated interim financial statements are consistent with those applied to prepare the consolidated financial statements for the 2019 financial year. The condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements of the DFV Group for the 2019 financial year.

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

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 3 August 2020.

1.2 Recently adopted accounting standards (first-time adoption as of 1 January 2020)

The standards presented in the table below were applicable from 1 January 2020 onwards. Where they concerned the DFV Group, they have been incorporated into these interim financial statements.

INITIAL APPLICATION	NEW OR AMENDED STANDARDS AND INTERPRETATIONS
1 January 2020	<p>Definition of a Business (Amendments to IFRS 3 "Business Combinations")</p> <p>Definition of Material (Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors")</p> <p>Interest Rate Benchmark Reform (Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures")</p> <p>Amendments to the general concept of accounting</p>

Adopting these standards had no or no significant effect on the net assets, financial position and earnings situation of the DFV Group.

1.3 Valuation changes

There were no changes to the valuation methods in the first half of the 2020 financial year.

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

2.1 Consolidated assets

2.1.1 Development of other intangible assets

DEVELOPMENT OF OTHER INTANGIBLE ASSETS						
	Purchased software	Other intangible assets	Total	Purchased software	Other intangible assets	Total
In EUR thousand	30/06/2020			31/12/2019		
Gross carrying amount as at 1 January	12,625	3,248	15,873	12,449	2,330	14,779
Cumulative depreciation as at 1 January	5,523	1,685	7,208	4,602	972	5,574
Balance sheet value as at 1 January	7,102	1,563	8,665	7,847	1,358	9,205
Additions	283	763	1,046	176	918	1,094
Disposals of gross carrying amounts	147	220	367	0	0	0
Depreciation and amortisation	400	484	884	921	713	1,634
Disposals of depreciation and amortisation	147	220	367	0	0	0
Balance sheet value as at reporting date	6,985	1,842	8,827	7,102	1,563	8,665
Cumulative depreciation as at reporting date	5,776	1,949	7,725	5,523	1,685	7,208
Gross carrying amount as at reporting date	12,761	3,791	16,552	12,625	3,248	15,873

2.1.2 Rights of use

RIGHTS OF USE PURSUANT TO IFRS 16		
In EUR thousand	30/06/2020	31/12/2019
Gross carrying amount as at 1 January	2,738	0
Cumulative depreciation as at 1 January	685	0
Balance sheet value as at 1 January	2,053	0
Additions	0	2,738
Disposals of gross carrying amounts	0	0
Depreciation and amortisation	342	685
Disposals of depreciation and amortisation	0	0
Balance sheet value as at reporting date	1,711	2,053
Cumulative depreciation as at reporting date	1,027	685
Gross carrying amount as at reporting date	2,738	2,738

2.1.3 Financial instruments – available for sale

FINANCIAL INSTRUMENTS – AVAILABLE FOR SALE		
In EUR thousand	30/06/2020	31/12/2019
No fixed interest rate		
Shares (equity investment in BCA AG)	2,250	2,250
Investment shares	2,654	9,767
Bonds	115,202	109,325
Fixed interest and call money	400	400
Total	120,506	121,742

Securities lending

No securities were lent as of the reporting date.

2.1.4 Receivables

RECEIVABLES		
In EUR thousand	30/06/2020	31/12/2019
Receivables from direct insurance business	1,283	1,262
Of which from policyholders	1,242	1,227
Of which from insurance brokers	41	35
Accounts receivable from reinsurance business	4,495	3,297
Receivables from insurance business	5,778	4,559
Receivables from long-term care insurance allowance	408	476
Other receivables	247	215
Total	6,433	5,250

2.1.5 Shares of reinsurers in underwriting provisions

SHARE OF REINSURERS IN UNDERWRITING PROVISIONS		
In EUR thousand	30/06/2020	31/12/2019
Unearned premiums	963	559
Actuarial provisions	43,349	37,021
Provision for outstanding claims	2,992	2,905
Other underwriting provisions	11	15
Total	47,315	40,500

2.1.5.1 Shares of reinsurers in the development of unearned premiums

SHARES OF REINSURERS IN THE DEVELOPMENT OF UNEARNED PREMIUMS		
In EUR thousand	30/06/2020	31/12/2019
As at 1 January	559	558
Additions	963	559
Reversal/utilisation	559	558
As at reporting date	963	559

2.1.5.2 Shares of reinsurers in the development of actuarial provisions

SHARES OF REINSURERS IN THE DEVELOPMENT OF ACTUARIAL PROVISIONS		
In EUR thousand	30/06/2020	31/12/2019
Actuarial provisions as at 1 January	37,021	30,488
Addition	8,616	8,522
Reversal	2,288	1,989
Actuarial provisions as at reporting date	43,349	37,021

2.1.5.3 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 EUR thousand	30/06/2020	31/12/2019
As at 1 January	2,905	3,971
Claims expenses		
For the financial year	7,496	9,619
For previous years	365	-1,080
Total	7,861	8,539
Less payments		
For the financial year	5,629	7,804
For previous years	2,145	1,801
Total	7,774	9,605
As at reporting date	2,992	2,905

2.1.6 Deferred taxes

DEFERRED TAX ASSETS						
In EUR thousand	Total deferred tax assets	Of which directly in equity	Of which through profit or loss	Total deferred tax assets	Of which directly in equity	Of which through profit or loss
	30/06/2020			31/12/2019		
Intangible assets	0	0	0	0	0	0
Investments						
Financial instruments	0	0	0	0	0	0
Derivative financial instruments	0	0	0	0	0	0
Underwriting provisions	599	0	599	127	0	127
Other	1,687	0	1,687	1,658	0	1,658
Income tax loss carried forward	5,482	0	5,482	4,089	0	4,089
	7,768	0	7,768	5,874	0	5,874

DEFERRED TAX LIABILITIES						
In EUR thousand	Total deferred tax liabilities	Of which directly in equity	Of which through profit or loss	Total deferred tax liabilities	Of which directly in equity	Of which through profit or loss
	30/06/2020			31/12/2019		
Intangible assets	732	0	732	734	0	734
Investments						
Financial instruments	1,224	1,224	0	1,953	1,953	0
Derivative financial instruments	0	0	0	0	0	0
Underwriting provisions	0	0	0	0	0	0
Other	571	0	571	590	0	590
	2,527	1,224	1,303	3,277	1,953	1,324

2.1.7 Other assets

OTHER ASSETS		
In EUR thousand	30/06/2020	31/12/2019
Operating and office equipment	781	530
Accruals and deferrals	612	409
Tax prepayments	1,695	356
Other assets	695	1,461
Total	3,783	2,756

2.2 Consolidated liabilities

2.2.1 Equity

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

2.2.2 Underwriting provisions (gross)

UNDERWRITING PROVISIONS (GROSS)		
In EUR thousand	30/06/2020	31/12/2019
Unearned premiums	3,299	2,966
Actuarial provisions	60,999	51,078
Provision for outstanding claims	11,645	13,047
Provision for premium refunds	1,391	1,430
Other underwriting provisions	59	78
Total	77,393	68,599

2.2.2.1 Development of unearned premiums

DEVELOPMENT OF UNEARNED PREMIUMS		
In EUR thousand	30/06/2020	31/12/2019
As at 1 January	2,966	2,537
Additions	3,299	2,966
Reversal/utilisation	2,966	2,537
As at reporting date	3,299	2,966

2.2.2.2 Development of actuarial provisions

DEVELOPMENT OF ACTUARIAL PROVISIONS		
In EUR thousand	30/06/2020	31/12/2019
Actuarial provisions as at 1 January	51,078	42,570
Addition	12,566	10,201
Reversal	3,157	2,777
Interest portion	512	1,084
Actuarial provisions as at reporting date	60,999	51,078

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

2.2.2.3 Development of the provision for outstanding claims

DEVELOPMENT OF THE PROVISION FOR OUTSTANDING CLAIMS		
In EUR thousand	30/06/2020	31/12/2019
As at 1 January	13,047	10,269
Claims expenses		
For the financial year	21,662	37,973
For previous years	-147	388
Total	21,515	38,361
Less payments		
For the financial year	13,985	28,064
For previous years	8,932	7,519
Total	22,917	35,583
As at reporting date	11,645	13,047

2.2.2.4 Development of the provision for premium refunds

DEVELOPMENT OF THE PROVISION FOR PREMIUM REFUNDS		
In EUR thousand	30/06/2020	31/12/2019
As at 1 January	1,430	836
Additions	214	1,120
Utilisation	253	526
As at reporting date	1,391	1,430

2.2.2.5 Other underwriting provisions

OTHER UNDERWRITING PROVISIONS		
In EUR thousand	30/06/2020	31/12/2019
Cancellation provision	34	53
Other underwriting provisions	25	25
Total	59	78

2.2.3 Other provisions

DEVELOPMENT OF OTHER PROVISIONS		
In EUR thousand	30/06/2020	31/12/2019
As at 1 January	5,434	872
Utilisation	3,586	835
Reversal	24	37
Addition	1,250	5,434
As at reporting date	3,074	5,434

The remaining term of other provisions is at most twelve months. This does not include the lease liability under IFRS 16 of EUR 1,720,000 which shall be settled in instalments until 31 December 2022 and is recognised in other provisions.

2.2.4 Liabilities

LIABILITIES		
In EUR thousand	30/06/2020	31/12/2019
Liabilities from direct insurance business	1,497	1,129
Of which to policyholders	295	237
Of which to insurance brokers	1,202	892
Accounts payable from reinsurance business	3,948	127
Deposits retained on ceded reinsurance business	47,487	42,568
Liabilities from insurance business	52,932	43,824
Other liabilities	4,368	4,423
Total	57,300	48,247

2.3 Consolidated 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 consolidated statement of comprehensive income.

2.3.2 Income from capital investments

INCOME FROM CAPITAL INVESTMENTS		
In EUR thousand	First half 2020	First half 2019
Revenue from capital investments		
Current revenue from capital investments	423	438
Gains from changes in fair value	0	0
Gains from the disposal of capital investments	817	1,176
Total	1,240	1,614
Expenses for capital investments		
Expenses for the management of capital investments, other expenses	178	131
Depreciation and impairments of capital investments	0	15
Losses from changes in fair value (recognised in profit or loss)	0	253
Losses from the disposal of capital investments	3,006	0
Total	3,184	399
Income from capital investments	-1,944	1,215

2.3.3 Other revenue

OTHER REVENUE		
In EUR thousand	First half 2020	First half 2019
Other underwriting revenue	0	0
Other non-underwriting revenue	93	75
Total	93	75

2.3.4 Insurance benefits

INSURANCE BENEFITS		
In EUR thousand	First half 2020	First half 2019
Payments for insurance claims		
Gross amount	22,917	16,561
Share of reinsurers	7,774	4,201
Net amount	15,143	12,360
Change in the provision for outstanding claims		
Gross amount	-1,402	1,606
Share of reinsurers	-87	1,123
Net amount	-1,489	2,729
Change in actuarial provisions		
Gross amount	9,921	5,802
Share of reinsurers	6,328	5,002
Net amount	3,593	800
Change in other underwriting provisions		
Gross amount	-19	188
Share of reinsurers	-3	8
Net amount	-16	180
Expenses for premium refunds		
Gross amount	-39	-526
Share of reinsurers	0	0
Net amount	-39	-526
Total	17,192	15,544

2.3.5 Expenses for insurance operations

EXPENSES FOR INSURANCE OPERATIONS		
In EUR thousand	First half 2020	First half 2019
Acquisition expenses	20,083	18,946
Administrative expenses	4,571	3,900
Of which: Share of reinsurers	11,820	9,754
Total	12,834	13,092

2.3.6 Other expenses

OTHER EXPENSES		
In EUR thousand	First half 2020	First half 2019
Other underwriting expenses		
Deposit interest for reinsurance	480	388
Fire protection tax	0	8
Other underwriting expenses	0	0
	480	396
Other non-underwriting expenses	2,022	1,528
Of which Supervisory Board remuneration	104	164
Total	2,502	1,924

3 OTHER INFORMATION

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

ASSETS AND LIABILITIES BY LEVEL (30/06/2020)				
In EUR thousand	Level 1	Level 2	Level 3	Total
Shares in subsidiaries, joint ventures and associates	0	0	0	0
Financial instruments available for sale	117,856	2,650	0	120,506
Non-current assets held for sale	0	0	0	0
Total positive market values	117,856	2,650	0	120,506
Shares in subsidiaries, joint ventures and associates	0	0	0	0
Financial instruments available for sale	0	0	0	0
Non-current assets held for sale	0	0	0	0
Total negative market values	0	0	0	0

ASSETS AND LIABILITIES BY LEVEL (31/12/2019)				
In EUR thousand	Level 1	Level 2	Level 3	Total
Shares in subsidiaries, joint ventures and associates	0	0	0	0
Financial instruments available for sale	115,329	6,413	0	121,742
Non-current assets held for sale	0	0	0	0
Total positive market values	115,329	6,413	0	121,742
Shares in subsidiaries, joint ventures and associates	0	0	0	0
Financial instruments available for sale	0	0	0	0
Non-current assets held for sale	0	0	0	0
Total negative market values	0	0	0	0

3.2 Disclosures regarding contingent liabilities

As of the reporting date (30 June 2020), there were no contingent liabilities in addition to the provisions recognised in the consolidated balance sheet that would have to be reported.

3.3 Events after the reporting date

On 7 July 2020, as part of a capital increase in exchange for cash contributions, making partial use of the authorised capital and excluding the subscription rights of shareholders, Deutsche Familienversicherung AG issued 1,326,160 new no-par bearer shares at a price of EUR 24.40 per share by means of a private placement to institutional investors. The capital increase was significantly oversubscribed. The share capital of the company increased by EUR 2,652,320 or almost 10% from EUR 26,523,240 to EUR 29,175,560. The company received gross proceeds of around EUR 32.35 million from the capital increase. The net proceeds from the capital increase are to be used by the company to continue its current growth strategy, including the establishment of new risk carriers, the establishment of a health insurer and a non-life insurer and the development of new products.

There have been no other events of particular significance since the end of the group's financial year that have not been included in either the consolidated income statement or the consolidated balance sheet.

3.4 Responsibility statement of the legal representatives

'We assure to the best of our knowledge that – in accordance with the applicable reporting principles for interim financial reporting – the interim consolidated financial statements give a true and fair view of the asset, financial and earnings position of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.'

Frankfurt am Main, 13 August 2020

DFV Deutsche Familienversicherung AG

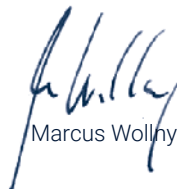
The Executive Board



Dr Stefan M. Knoll



Stephan Schinnenburg



Marcus Wollny

REVIEW CERTIFICATE

To DFV Deutsche Familienversicherung AG

We have reviewed the condensed consolidated interim financial statements – comprising the balance sheet, statement of comprehensive income, statement of cash flow, statement of changes in equity and selected explanatory notes – and the interim management report of DFV Deutsche Familienversicherung AG for the period from 1 January 2020 to 30 June 2020, which are part of the semi-annual financial report pursuant to Section 115 WpHG (*Wertpapierhandelsgesetz* – German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the European Union and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the parent company's management. Our task is to issue a review certificate for the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Cologne, 13 August 2020

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dr Thomas Varain
Auditor

Martin Lächele
Auditor



DFV Deutsche Familienversicherung AG

Reuterweg 47
60323 Frankfurt
Deutschland