Genossenschaftliche FinanzGruppe
Volksbanken Raiffeisenbanken

R+V Versicherung AG

Annual Report 2023

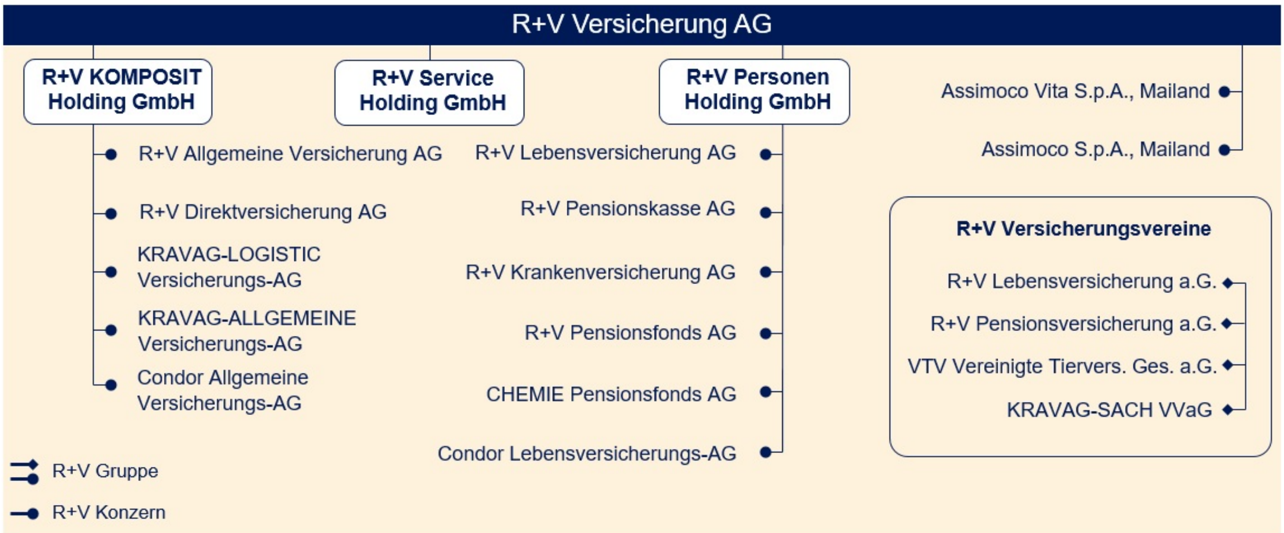
R+V Du bist nicht allein.

R+V Versicherung AG

Annual Report 2023

Presented at the annual general meeting
on 17 May 2024

R+V Group - Simplified presentation



Figures for the financial year

	R+V Versicherung AG	
in million Euro	**2023**	**2022**
Gross premiums written	3,787	3,513
Gross expenditure on claims for the financial year	2,613	2,413
Current income from capital investments	322	369
Capital investments	10,397	10,140
Employees as at 31 December (number)	913	899
Annual result - R+V Consolidated Group (IFRS) [1)]	572	-246
Capital investments - R+V Consolidated Group (IFRS) [1)]	117,592	108,773

[1)] Basis of accounting in the previous year IFRS 4/9, in the financial year IFRS 17/9.

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For reasons of calculation, rounding differences may occur from the mathematically exact values (monetary units, percentages).

In principle, the female and male form is used in the annual report. For better readability, the masculine form is used in some parts of the text. However, the information always refers to members of all genders.

Management report

Business and general conditions

Business activities

R+V Versicherung AG is the parent company of the R+V Group. It holds a majority stake, either directly or indirectly, in the primary insurance companies of the R+V Group.

R+V Versicherung AG is the central reinsurer of R+V's primary insurance companies. It also operates independently on the international reinsurance market. It conducts reinsurance business worldwide in all non-life lines. Its interests in southern Africa are represented by the branch office in South Africa.

Organizational and legal structure

R+V Versicherung AG is majority-owned by DZ BANK AG Deutsche Zentral-Genossenschaftsbank (DZ BANK AG), Frankfurt am Main. Further shares are held by other cooperative associations and institutions. The Board of Managing Directors of R+V Versicherung AG is responsible for the entire insurance business within the DZ BANK Group.

A profit and loss transfer agreement exists between R+V Versicherung AG and DZ BANK AG for the period from January 1, 2022 to December 31, 2026. The agreement is extended by one year at a time if it is not terminated by one of the contracting parties at least six months before expiry, but the agreement runs until the end of December 31, 2031, at the latest.

The Annual General Meeting of R+V Versicherung AG approved authorized capital on 19 May 2022. It authorizes the Board of Management to increase the share capital of R+V Versicherung AG, with the approval of the Supervisory Board, by issuing new registered shares with restricted transferability against cash contributions on one or more occasions, excluding subscription rights for fractional amounts, by a total nominal amount of up to 66.5 million Euro, which corresponds to a total issue amount of around 750 million Euro. The authorized capital can be used until 30 April, 2027.

In connection with the profit transfer agreement, there is a tax allocation agreement between DZ BANK AG and R+V Versicherung AG, according to which a fictitious tax assessment of the controlled company R+V Versicherung AG is made based on the applicable laws and guidelines. The tax allocation agreement places R+V Versicherung AG in the same position as if it were independently subject to tax.

The subsidiaries of R+V Versicherung AG, R+V KOMPOSIT Holding GmbH and R+V Personen Holding GmbH, bundle the investments in the subsidiaries of the property- and accident-insurance business and the life- and health-insurance business. In addition, the subsidiaries for the provision of services are combined under R+V Service Holding GmbH.

Some of the members of the Management Boards of the R+V companies are also members of the Supervisory Board. The R+V Group is managed as a single company.

The uniform management of the R+V Group is also reflected in the extensive internal spin-off agreements concluded between the companies.

Shareholdings

The shares in R+V Versicherung AG were held directly or indirectly by the following shareholders on the balance sheet date:

› DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main
› Bayerische Raiffeisen-Beteiligungs-AG, Beilngries
› GBK Holding GmbH & Co. KG, Kassel
› Beteiligungs-AG der bayerischen Volksbanken, Pöcking
› NGB AG & Co KG, Hanover
› KRAVAG-SACH Versicherung des Deutschen Kraftverkehrs VaG, Hamburg
› 452 Volksbanken and Raiffeisenbanken from all regions of Germany
› 5 Shares in free float

Relationships with affiliated companies

Due to the profit and loss transfer agreement concluded with DZ BANK AG, there is no obligation to prepare a dependent company report in accordance with Section 316 AktG (Aktiengesetz [German Stock Corporation Act]).

Declaration on corporate governance

In implementation of the German Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector, the Supervisory Board and Board of Management of R+V Versicherung AG, as a company subject to co-determination, set the targets listed in the table in 2022 with a deadline for achieving the targets by June 30, 2027.

Proportion of women

in %	Specified Target figure until June 30, 2027
Supervisory Board	25.00
Management Board	25.00
First management level below the Management Board	23.08
Second management level below the Management Board	27.03

Non-financial reporting

Personnel report

The number of employees at R+V Versicherung AG increased by 14 to 913 compared to 899 employees in the previous year. The average length of service was around 9 years.

Sustainability report

The annual R+V Sustainability Report provides an overview of all sustainability activities. The report complies with the sustainability reporting guidelines of the Global Reporting Initiative and thus meets globally recognized transparency standards.

The complete R+V Sustainability Report is available online on the R+V homepage at:

www.nachhaltigkeitsbericht.ruv.de.

Outlook for the non-financial statement - Extended requirements for sustainability reporting

As part of the European Green Deal, the European Union is expanding and standardizing the principles of sustainability reporting. Additional transparency is intended to promote the comparability of non-financial statements. The Corporate Sustainability Reporting Directive (CSRD), which must be transposed into national law by the member states within 18 months, came into force on January 5, 2023.

As of December 31, 2024, R+V Versicherung AG, as the parent company of the R+V Group, will issue its own non-financial statement, weighted equally to the financial statement, thus implementing the sustainability reporting obligation.

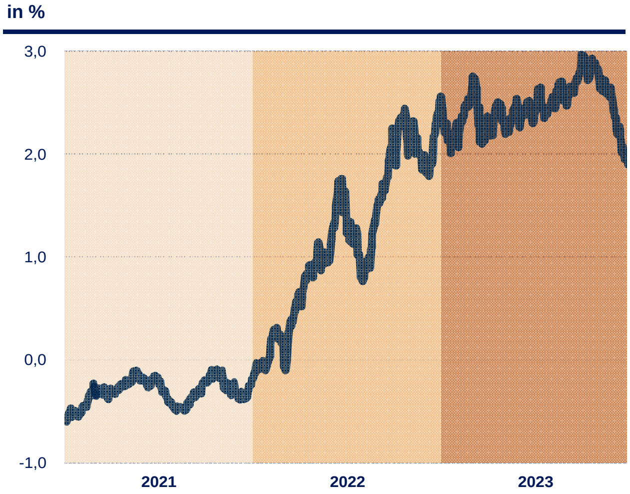
R+V has set up the "CSRD@R+V" program to implement these extensive new requirements. The initial materiality analysis carried out in 2023 was used to determine the scope of the reporting requirements. In a second step, this will be repeated to define the scope of the reporting requirements for the 2024 financial year.

The sustainability aspects to be analyzed are derived from the European Sustainability Reporting Standards (ESRS). In addition to two overarching cross-sectional standards that apply to sustainability issues, these contain ten thematic standards that cover different aspects of environmental, social, and governance (ESG) issues. In addition, the European Financial Reporting Advisory Group (EFRAG) is currently preparing a draft that will include sector-specific reporting standards.

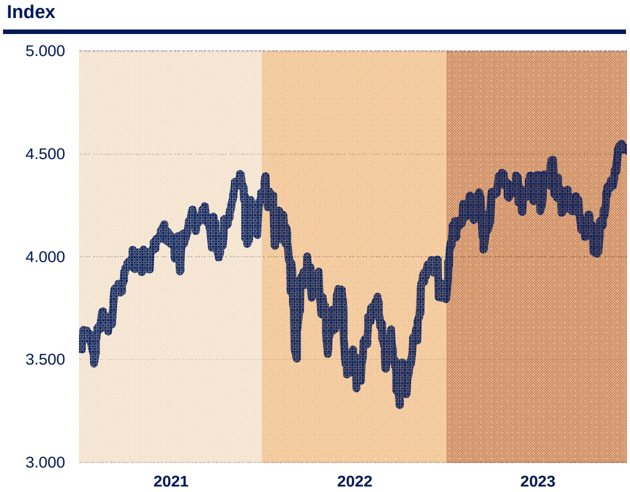
Non-financial reporting in accordance with the CSR Directive Implementation Act

R+V Versicherung AG is included in the non-financial group report of DZ BANK AG and is therefore exempt from issuing its own non-financial statement. The non-financial group report is part of the DZ BANK Group's sustainability report and is available in German on the following website: www.dzbank.de/berichte.

Yield on German government bonds - 10 years to maturity



Performance of the Euro Stoxx 50 share index



Macroeconomic development

Economic development in 2023 was dominated by the consequences of persistently high inflation and the central banks' restrictive monetary policy. Both the European Central Bank (ECB) and the US Federal Reserve (Fed) raised key interest-rates several times in the first half of the year to combat the sharp price increases. Inflation peaked in the fall of 2022 and has since fallen but was still well above the central banks' target at the time of reporting. Economic growth in Germany came to a standstill. Particularly the manufacturing industry was burdened by weak foreign demand and high costs. Capital-intensive sectors such as construction suffered from the sharp rise in interest rates.

Despite the weak economic activity, the labor market was surprisingly stable, which is partly due to an increasing shortage of skilled workers. Although wages rose significantly in the face of high inflation, employees in Germany did not achieve any real income growth over the year. Private consumption recorded a decline. In view of the challenging macroeconomic environment and the high level of geopolitical uncertainty worldwide, gross domestic product in Germany fell by 0.3% in 2023. Inflation, as measured by the harmonized consumer price index, fell to 6.0% in the financial year compared to 8.7% in the previous year. This was mainly due to a decline in increases in energy prices.

Developments on the capital markets

The central banks continued the cycle of interest rate hikes that began in 2022. The ECB raised its key interest rate to 4.5% before keeping it constant from September. The US Fed ended its interest rate hikes in July at a level of 5.5%. The sharp rise in interest rates led to the first distortions. In March in particular, a banking crisis in the USA and an emergency merger of major banks in Switzerland caused unrest on the capital market. The banking crisis was quickly contained by comprehensive measures taken by the regulatory authorities.

Interest rates on the bond markets fell over the course of the year, although a significant rise in interest rates was observed during the year and into the fall. The interest rate on ten-year German government bonds fell by 0.5 percentage points and stood at 2.0% at the end of 2023. The risk premiums (spreads) on Pfandbriefe, i.e. corporate and bank bonds, were lower at the end of the year.

Following the heavy losses of the previous year, the global stock markets made a significant recovery. The German DAX share index, which considers both market performance and dividend payments (performance index), had risen by 20.3% by the end of the year compared to the previous year and stood at 16.752 points. The Euro Stoxx 50 share index (price index), which is relevant for the Eurozone, rose by 19.2% compared to the previous year and stood at 4,521 points at the end of the year.

Situation of the insurance industry

The German insurance industry closed 2023 with a slight increase in premiums – despite challenging economic conditions and global uncertainties. As announced by the German Insurance Association (GDV) at its annual media conference at the end of January 2024, premium income across all sectors rose by 0.6% to 224.7 billion Euro, primarily due to growth in property- and accident-insurance and private health insurance.

Development of the reinsurance markets

In addition to the continuing war in Ukraine, the conflict between Israel and Hamas flared up in October and had a particularly serious humanitarian impact. As war-events are generally excluded from insurance contracts, the conflicts did not have any significant impact on the underwriting results. In addition, the flattening of inflation towards the end of the year prevented further sharp and widespread increases in claims costs, as was the case in the same period last year. Nevertheless, some reinsurance companies, for example US business, had to increase their loss reserves due to inflation.

As a result of the El Niño weather phenomenon, but also due to climate change, 2023 was the warmest year in in weather recording. The number and severity of severe weather events were correspondingly high. According to preliminary estimates, both economic and insured losses from natural catastrophe events for the year were above the average of the past ten years, but below the previous year's level.

In the first half of the year, both the total economic losses of around 100 billion Euro and the insured losses of around 39 billion Euro were above the respective 10-year averages but below the figures for the previous year. At the same time, the highest number of events with insured losses of at least one billion US dollars was recorded in the first six months, with severe thunderstorm events in North America being particularly significant. With around 58,000 fatalities and estimated economic losses of more than 40 billion Euro, of which around five billion Euro were insured, the earthquake in Turkey and Syria at the beginning of February was the largest single loss-event both in the first half of the year and for the entire year.

Without extreme hurricane damage in the USA, the second half of the year was more positive compared to the same period of the previous year. However, some events led to regional peaks. For example, Otis, a hurricane of the highest category, caused unprecedented insured losses in Mexico in October. In addition, New Zealand had to deal with the highest insured losses ever recorded from floods and cyclones, and forest fires on Maui led to record insured losses for the US state of Hawaii.

Due to the high inflation rates of previous years and the trend towards increasingly frequent and severe climate-related natural disasters, price increases as well as improvements to contract terms and conditions were implemented in many cases in the 2023 renewal rounds.

Development of individual countries and regions

The claims burden from natural disasters in **Germany** was average in 2023. In summer, the storms Lambert and Kay swept across large parts of Germany and hailstorm Denis hit southern Germany. In December, prolonged rainfall led to severe flooding in the northern half of Germany. The flooding continued in early 2024, meaning that the extent of the damage cannot yet be estimated. As for man-made fire losses in medium to large commercial and industrial business, a high frequency of losses with a medium loss amount was recorded. The issue of inflation remained relevant but to a lesser extent than in 2022. The increases in motor-insurance premiums at the beginning of 2023 were not yet sufficient to offset inflation-related increases in claims costs and to ensure satisfactory results for insurers. Further significant price increases are therefore necessary and to be expected. For reinsurers, the market hardening continued and led to further increases in retentions and prices, particularly in non-life insurance lines. In addition, the need for capacity for natural-catastrophe coverage increased.

The insurance market in **the UK** was dominated by increases in original rates in 2023. Although inflation, which had risen sharply in 2022, fell over the course of 2023, it remained at an above-average level, particularly in motor vehicle repairs. At the same time, the frequency of claims in the motor-vehicle market almost returned to pre-coronavirus pandemic levels. Due to negative underwriting results in 2022, insurance companies significantly increased original rates in the motor sector. The motor market led the way, and the buildings-insurance market followed suit with rate increases. In addition, the non-life insurance market was affected by an increasing frequency of natural disasters, such as the storms Babet, Ciaran, and Debi.

In the **USA,** 2023 was characterized by an unprecedented frequency of natural catastrophes. There were 28 events with a loss volume of more than one billion US dollars. Except for a wildfire that destroyed large parts of the city of Lahaina on the Hawaiian island of Maui, and four flooding events that affected the east and west coasts, these were all strong convective-wind events in the Midwest, i.e. hailstorms, tornadoes, and extensive, straight-line storm fronts. Persistent inflation and its impact on companies and their reinsurance contracts remained a key issue in 2023. Many property insurers therefore suffered from a challenging earnings position and responded by adjusting conditions in their original business. Sufficient capacity was available in the reinsurance market in the renewals at the end of the year, provided that appropriate prices and structures were offered. In the contract negotiations, price increases and higher retentions for cedants were again achieved in the non-proportional area.

In 2023, **South Africa** recorded only slight economic growth. A key factor in this was the insufficient availability of electricity, which posed a significant challenge for the entire economy and therefore also had a negative impact on employment. Due to the electricity shortage, the risk of grid failure was classified as a systemic and therefore uninsurable risk in both the insurance and reinsurance markets. A positive development resulted from government investments in infrastructure projects, which led to an increase in (major) projects in 2023 and give hope for a positive development of the economy and the labor market in the future. Several small, local natural disasters occurred in the financial year, but these did not result in any significant losses for reinsurers. The South African reinsurance market hardened further in 2023, following the global trend. In South Africa, this was also a consequence of the flood in April of the previous year 2022 and the associated claims burden for reinsurers.

The high inflation in the **Italian** insurance industry was mainly felt in motor third party liability insurance. Italian insurance companies reacted early and increased policy prices, interrupting the trend towards falling prices that had been ongoing since 2012. Due to the dense population and high insurance density in the affected regions, 2023 proved to be the most expensive year for natural catastrophe events in Italy's history. An unusually hot and dry winter was followed by extreme rainfall in the Emilia Romagna region. In May, this led to the largest flood event since the Po flood in 2000. In July, the north of Italy was hit by a series of severe thunderstorms. According to estimates, the insured losses amount to two to three billion Euro and are therefore already more expensive than the earthquake in Emilia Romagna in 2012. Due to the considerable burdens caused by the extraordinary loss events, the reinsurance programs that cover natural-catastrophe risks had to be adjusted in terms of structures, prices, and conditions.

Business performance of R+V Versicherung AG

The following notes refer to the course of business and the net assets, financial position, and earnings position as at December 31, 2023. They take into account the currently known findings in connection with the development of inflation. R+V Versicherung AG is not materially affected by the war in Ukraine in its underwriting. The effects of the war in Ukraine were considered in the valuation of the investments. The total investment in the Russian Federation, Belarus, and Ukraine was already fully terminated in the course of 2022.

The assumptions made in the 2023 annual financial statements are based on valuation factors and findings as per the balance-sheet date. They are characterized by considerable uncertainty, particularly regarding further future developments.

Business performance at a glance

For R+V Versicherung AG, the key financial performance indicators for the 2023 financial year are gross premiums written, gross expenses for insurance claims in the financial year, gross operating expenses, net investments income, and earnings before profit transfer. The development of these and other key figures is explained in more detail below.

Gross premiums written

in million Euro	2023	2022	Change
broken down by major classes of insurance			
Life	23.9	25.1	-4.7%
Accident	27.5	35.9	-23.4%
Liability	40.6	42.9	-5.3%
Motor	1,321.9	1,293.4	2.2%
Fire	942.2	923.2	2.0%
Marine and aviation	273.7	233.7	17.1%
Other	1,156.9	959.3	20.6%
	3,786.6	**3,513.5**	**7.8%**

Gross premiums written

With a premium share of 95.1%, general accident insurance remains the dominant individual line of business within the **accident insurance segment.** The insurance class also includes motor accident insurance. At 95.6%, business with cedants outside R+V accounts for the lion's share. As in the previous year, the renewed decline is due to the continuation of the more selective underwriting policy in third-party business initiated in 2021.

In addition to general liability insurance, the **liability** insurance class also includes pharmaceutical and nuclear plant liability-insurance and is predominantly underwritten by cedants outside R+V. The decline in premiums written is mainly attributable to general liability insurance. 29.4 million or 76.5% is attributable to foreign business.

Motor insurance accounts for 34.9% of gross premiums written and is underwritten worldwide. 41.1% of the premium volume in this segment comes from R+V companies. There was a significant increase compared to the previous year, which is attributable to an increase in the market share of primary insurers as well as an increase in reinsurance quotas. In foreign business with cedants outside R+V, premium development was also largely characterized by the implementation of the more restrictive underwriting policy: The focus on profitability of contracts led to an overall decrease in premiums of 3.6%.

As in the previous year, 99.2% of the premium volume in **fire insurance** came from cedants outside R+V. 811.5 million or 86.1% is attributable to foreign business.

In **marine and aviation insurance,** aviation insurance recorded an increase in gross premiums written of 14.8% to 171.6 million Euro (2022: 149.5 million Euro). In the marine business, gross premiums written amounted to 102.2 million Euro after 84.2 million Euro in the previous year. The most important markets for the marine business were Belgium, South Korea and Germany. The aviation business continued to be dominated by business in the USA.

Other insurance lines include health, legal, comprehensive home contents and home-owners' insurance, other non-life insurance, other insurance and credit and bonds insurance. The non-life property insurance lines include burglary and theft, engineering, water damage, glass, storm, hail, livestock and nuclear plant non-life insurance. Other insurance includes the all risks, fidelity and motor vehicle warranty lines. The increase in premiums is mainly due to the storm (+ 92.1 million Euro to 417.6 million

Euro), credit and bonds insurance (+ 53.8 million Euro to 426.6 million Euro) and linked homeowners' insurance (+ 22.4 million Euro to 85.2 million Euro).

Gross expenses for insurance claims in the financial year

Losses for the financial year

in million Euro	2023	2022	Change
broken down by major classes of insurance			
Life	13.5	21.5	-37.3%
Accident	15.9	23.1	-30.9%
Liability	43.9	25.2	73.9%
Motor	1,044.2	1,040.4	0.4%
Fire	757.4	606.6	24.9%
Marine and aviation	127.0	100.6	26.2%
Other	611.3	595.6	2.6%
	2,613.2	**2,413.0**	**8.3%**

In **accident insurance,** the gross claims ratio on the balance sheet improved to 40.8% (2022: 61.1%). The claims experience is mainly characterized by third-party business. In addition to a significant reduction in claims expenses for the financial year, an improved run-off result also had a positive effect.

In **liability insurance,** the claims experience resulted mainly from third-party business. Higher claims expenses for the financial year were offset by an improved run-off result from the claims provisions carried over from the previous year, resulting in a gross claims ratio of 41.4% (2022: 87.4%).

In **motor insurance,** claims expenses for the financial year were on a par with the previous year. In conjunction with the run-off result of the claims provisions carried over from the previous year, this resulted in a gross claims ratio of 80.9% (2022: 81.6%).

In **fire insurance**, claims expenses for the financial year rose by 24.9% compared to the previous year. The severe weather events in Central, Southern, and South-Eastern Europe in July 2023 had a particular impact here. The gross claims ratio on the balance sheet amounted to 78.1% (2022: 70.3%).

In **marine and aviation insurance,** claims expenses for the financial year followed the premium trend and increased disproportionately compared to the previous year. In conjunction with the run-off result of the provisions carried over from the previous year, this resulted in a gross claims ratio of 75.8% (2022: 69.3%).

The claims experience in the **other insurance lines** was mainly characterized by the credit and bonds insurance and storm lines. Credit and bonds insurance recorded an increase in claims expenses for the financial year. In conjunction with the run-off result of the provisions carried over from the previous year, the gross balance sheet loss ratio for credit and bonds insurance was 55.3% (2022: 41.3%). With a balance sheet gross loss ratio of 75.6% after 100.1% in the previous year, the claims experience in storm insurance developed positively.

Gross expenses for insurance operations

Gross operating expenses increased by 3.9% compared to the previous year and amounted to 873.9 million Euro (2022: 840.9 million Euro). The gross expense ratio was 23.1% (2022: 23.8%).

The gross combined ratio improved from 97.7% in the previous year to 96.3%, while the gross combined ratio for the entire non-life segment amounted to 96.3% (2022: 97,8%).

Underwriting result for own account

Underwriting result for own account

in million Euro	2023	2022	Change
broken down by major classes of insurance			
Life	-1.1	4.2	-125.4%
Accident	0.8	0.7	9.5%
Liability	-2.6	-1.5	-75.3%
Motor	71.4	34.2	109.0%
Fire	-90.3	-85.1	-6.1%
Marine and aviation	-2.1	-11.2	81.1%
Other	-45.3	-97.0	53.3%
	-69.1	**-155.6**	**55.6%**

In the other insurance lines, the result stemmed in particular from the credit/bonds lines at -28.1 million Euro (2022: -18.9 million Euro), in particular, and from storm at -11.8 million Euro (2022: -74.2 million Euro).

After an allocation to the equalization and similar provisions in the amount of 68.8 million Euro (2022: 141.1 million Euro), the technical result for own account amounted to -69.1 million Euro (2022: -155.6 million Euro).

Non-underwriting result

The non-technical result, which is made up of the investment result and the other result, amounted to 263.7 million Euro (2022: 275.3 million Euro).

Result from ordinary activities

The financial year closed with a result from ordinary activities of 194.6 million Euro (2022: 119.7 million Euro).

Earnings position

in million Euro	2023 Total gross	of which gross group	of which third-party gross	2022 Total gross	of which gross group	of which third-party gross
Posted contribution	3,786.6	663.5	3,123.1	3,513.5	555.4	2,958.1
Domestic	920.7	659.5	261.2	815.8	546.6	269.2
Abroad	2,865.9	4.0	2,861.9	2,697.7	8.8	2,688.9
Damage	2,767.3	507.3	2,260.0	2,605.3	442.6	2,162.8
Domestic	656.7	502.0	154.7	632.7	436.6	196.1
Abroad	2,110.6	5.3	2,105.3	1,972.7	6.0	1,966.7
Costs	873.9	97.9	776.1	840.9	87.6	753.3
Domestic	169.9	97.9	72.0	153.3	86.5	66.8
Abroad	704.1	0.0	704.1	687.6	1.1	686.5
Result before equalization provision	135.6	56.0	79.5	79.6	25.4	54.2
Domestic	85.9	57.3	28.5	28.5	22.6	5.9
Abroad	49.7	-1.3	51.0	51.1	2.8	48.3

Premium income

Proportional reinsurance business accounted for 70.9% of gross premium income, while the share of non-proportional reinsurance amounted to 29.1% (2022: 29.7%).

At 659.5 million Euro, gross premiums written in the domestic Group business were up on the previous year (2022: 546.6 million Euro). The increase was largely attributable to the motor lines of business, which was partly due to an increase in reinsurance ratios among primary insurers.

In third-party business, gross premiums written by domestic cedants fell from 269.2 million Euro to 261.2 million Euro. This development is mainly attributable to motor insurance. Particularly, fire insurance and other insurance lines developed in the opposite direction.

At 2,865.9 million Euro, foreign business accounted for 75.7% (2022: 76.8%) of total gross premiums written. The growth of 168.2 million Euro was mainly due to contracts with cedants in the UK and South Africa.

Overall, gross premiums written increased by 7.8% to 3,786.6 million Euro (2022: 3,513.5 million Euro). Net premiums written followed this trend (3,576.4 million Euro after 3,356.8 million Euro, + 6.5%). The retention rate was 94.4% (2022: 95.5%).

Insurance benefit

The gross loss ratio for the financial year amounted to 69.1% (2022: 68.4%) for the overall business. The gross balance sheet loss ratio was 73.2% after 73.9% in the previous year. After taking retrocessions into account, the balance sheet net loss ratio remained unchanged at 75.7% (2022: 75.7%).

In the non-life segment, the gross loss ratio for the financial year was 69.2% after 68.3% in the previous year, while the gross balance sheet loss ratio was 73.3% after 74.0% in the previous year.

For the Group business, the gross loss ratio for the financial year in the non-life segment was 77.6% (up from 74.8% last year), while the gross loss ratio on the balance sheet amounted to 77.1% (2022: 81.0%). After taking retrocessions into account, the balance sheet net loss ratio was 94.1% (2022: 87.3%).

In third-party business, the loss ratio for the financial year in the non-life segment was 67.5% from 67.1% in the previous year, while the gross loss ratio on the balance sheet amounted to 72.5% (2022: 72.8%).

The gross burden of major claims (claims exceeding 3.0 million Euro) in third-party business amounted to 678.2 million Euro as at December 31, 2023, which corresponds to 17.9% (2022: 19.7%) of gross premiums written.

Expenses for insurance operations

Gross operating expenses increased by 3.9% compared to the previous year, and amounted to 873.9 million Euro (2022: 840.9 million Euro). In relation to the gross premiums earned, this resulted in a gross expense ratio of 23.1% (2022: 23.8%).

The gross combined ratio improved from 97.7% in the previous year to 96.3%, while the gross combined ratio for the non-life segment was also 96.3% (2022: 97.8%).

Underwriting result

The gross technical result amounted to 135.6 million Euro (2022: 79.6 million Euro). Including retrocession, the net technical result before changes in equalization and similar provisions amounted to - 0.4 million Euro (2022: - 14.5 million Euro).

68.8 million Euro was allocated to the equalization and similar provisions (2022: 141.1 million Euro).

The technical result for own account amounted to - 69.1 million Euro (2022: - 155.6 million Euro).

Result from investments

R+V Versicherung AG generated ordinary income of 321.5 million Euro from its investments. After deducting ordinary expenses of 22.6 million Euro and taking into account scheduled real estate depreciation of 33.0 thousand Euro, the ordinary result amounted to 298.9 million Euro (2022: 347.1 million Euro).

The investments of R+V Versicherung AG were written down by 24.0 million Euro. Reversals of impairment losses resulted in write-ups of 22.6 million Euro. R+V Versicherung AG realized capital gains of 10.4 million Euro from the sale of assets, which were offset by capital losses of 4.1 million Euro. The balance of write-ups and write-downs as well as gains and losses on disposals resulted in an extraordinary result of 4.9 million Euro (2022: 16.1 million Euro).

The net investments result, being the difference between the ordinary and extraordinary result, therefore amounted to 303.8 million Euro for the 2023 financial year compared to 363.2 million Euro in the previous year. The net interest rate was 3.1% (2022: 3.8%).

Other result

Other income amounted to 71.1 million Euro in the financial year (2022: 72.5 million Euro). Service and interest income as well as exchange rate gains from foreign currencies were a significant component.

Other expenses of 114.7 million Euro (2022: 164.6 million Euro) mainly comprised operating costs, which were offset by income from recharges to Group companies. They also included interest and consulting expenses, exchange rate losses from foreign currencies and association and membership fees. In the previous year, write-downs on cedant receivables and exchange rate losses as at the reporting date had a particularly negative impact on earnings.

Extraordinary result

There was no extraordinary income or expenses for the reporting year.

Overall result

The result from ordinary activities amounted to 194.6 million Euro (2022: 119.7 million Euro). Taking into account tax expenses (including allocations) totaling 107.2 million Euro (2022: 83.3 million Euro), the profit transfer agreement concluded with DZ BANK resulted in a profit transfer of 87.3 million Euro (2022: 36.4 million Euro).

Financial position

Capital structure

Subscribed capital remained unchanged at 374.2 million Euro. The capital reserves also remained unchanged at 1,858.4 million Euro and retained earnings at 164.7 million Euro.

The shareholders' equity of R+V Versicherung AG thus amounted to 2,397.3 million Euro on the balance sheet date, as in the previous year.

Guaranteed funds increased by 386.3 million Euro to 10,095.1 million Euro, resulting in a guaranteed funds ratio of 282.3% (2022: 289.8%). The equity ratio in relation to net premiums written amounted to 67.0% (2022: 71.4%).

Guarantee funds

in million Euro	2023	2022
Share capital	374.2	374.2
Capital reserves	1,858.4	1,858.4
Retained earnings	164.7	164.7
Net retained profits	-	-
Shareholders' equity	**2,397.3**	**2,397.3**
Unearned premium reserve	161.3	162.0
Actuarial reserves	12.7	16.6
Provision for outstanding claims	6,403.3	6,096.8
Provision for premium funds	4.3	4.9
Equalisation provision and similar provisions	1,114.0	1,045.3
Other technical provisions Provisions	2.2	3.9
Total technical provisions	7,697.8	7,329.5
Guarantee funds	**10,095.1**	**9,726.8**

Net worth

Investment portfolio

The investments of R+V Versicherung AG increased by 302.1 million Euro or 3.1% in the 2023 financial year. The carrying amount of the investments (including deposits retained on assumed reinsurance business) thus amounted to 10,397.5 million Euro as at December 31, 2023. In the past financial year, R+V Versicherung AG invested the funds available for new investments mainly in bonds. This was primarily diversified into government and financial bonds. To reduce the default risk, attention was paid to the creditworthiness of the issuers of the interest-bearing securities. The company also made alternative equity and debt investments. The calculated equity ratio at market value was 2.2% as of December 31, 2023 (2022: 2.2%).

The reserve ratio in relation to total investments as of December 31, 2023 was 25.5% (2022: 18.1%) and was dominated by the investment item. Hidden liabilities amounted to 498.6 million Euro (2022: 733.8 million Euro) for securities held as fixed assets, applying the valuation rule in accordance with Section 341b (2) HGB.

Technical provisions

Gross technical provisions increased by 2.6% to 7,906.6 million Euro (2022: 7,707.0 million Euro). After deducting the shares attributable to retrocessionaires, net technical provisions amounted to 7,697.9 million Euro (2022: 7,329.5 million Euro). In relation to the net premiums written for own account, this corresponded to a ratio of 215.2% (2022: 218.4%).

Net provisions for outstanding claims correspond to 57.0% (2022: 55.1%) of total assets. Their volume increased by 5.0% to 6,403.3 million Euro (2022: 6,096.8 million Euro).

Opportunity and risk report

Risk management system

The aim of risk management at R+V Versicherung AG is to ensure that the obligations arising from the insurance policies can be met at all times for the entire business activity and, in particular, to ensure solvency and long-term risk-bearing capacity, the formation of sufficient technical provisions, capital investment in appropriate assets, compliance with commercial principles including proper business organisation and compliance with the other financial principles of business operations.

Risks arise from adverse developments for the net assets, financial position or earnings position and consist of the danger of future losses.

The risk management process in accordance with ORSA (Own Risk and Solvency Assessment) comprises the identification, analysis and evaluation, management and monitoring as well as reporting and communication of risks. Participations are also included in the risk management of R+V Versicherung AG.

The aim of the annual risk inventory is to identify risks and assess their materiality. The results of the risk inventory are recorded in the risk profile. The main risks are presented in this opportunity and risk report and measures to limit them are explained.

The economic risk-bearing capacity is assessed annually. The regulatory risk-bearing capacity and all material risks are assessed by the Risk Commission on a quarterly basis. This also includes the review of bindingly defined key figures and threshold values. If a defined index value is exceeded, measures must be reviewed and initiated if necessary. In the event of significant changes in risks, reports are to be submitted to the Board of Management. Risk-relevant company information is made available to the responsible supervisory bodies on a quarterly basis and on an ad hoc basis as required.

Governance structure

Risk management at R+V Versicherung AG is an integral part of corporate management and the governance structure. It is based on three interconnected lines of defence embedded in the control and monitoring system in the form of operational risk management, risk monitoring and internal audit function.

Risk management (first line of defence) refers to the operational implementation of the risk strategy in the risk-bearing business divisions. The operating divisions make decisions to consciously accept or avoid risks. In doing so, they must observe the specified framework conditions and risk limits.

Risk monitoring tasks (second line of defence) are performed at R+V by the key functions of the risk management function (referred to in the VAG as the independent risk controlling function), the compliance function and the actuarial function. In the interests of a consistent risk management system, there is a close exchange between these functions.

R+V's risk management function supports the Board of Management and the other functions in handling the risk management system and monitors both this and the risk profile. At R+V, the risk management function consists of overall risk management at a centralized level and departmental risk management at a decentralized level. It is responsible for identifying, analysing and assessing risks as part of the risk management process in accordance with ORSA. This includes the early identification, complete recording and internal monitoring of all material risks. The risk management function provides basic guidelines for the risk measurement methods to be used. In addition, risk management function reports the risks to the Risk Commission, the Board of Management and the Supervisory Board. The head of the risk management function reports directly to the Board of Management.

The primary task of the compliance function is to monitor compliance with external requirements. It also checks whether internal procedures are adaquate for ensuring compliance with external requirements. In addition, it advises the Board of Management on compliance with the laws and administrative regulations applicable to the operation of the insurance business, assesses the potential impact of changes in the legal environment for the company and identifies and assesses the risk associated with the violation of legal requirements (compliance risk). Due to the overarching organisation of business processes, the compliance function is performed across the company by a central compliance office in cooperation with decentralised compliance offices of the R+V Versicherung AG Board of Management departments.s The quarterly compliance conference is the central coordination and reporting body of the compliance function. The activities of the central and decentralised compliance units are reported and coordinated there and relevant incidents are dealt with. The compliance conference is also used to exchange information and interact with the other key functions. In the event of particularly serious breaches, ad hoc reports are made to the central compliance office. The head of the compliance function reports directly to the Board of Management and is organisationally assigned directly to the Chairman of the Board of Management of R+V Versicherung AG.

The actuarial function is primarily responsible for monitoring the proper formation of technical provisions in the solvency overview. Specifically, it coordinates the calculation of the technical provisions and ensures the appropriateness of the assumptions, methods and models on which the calculation is based. It also assesses the quality of the data and information technology systems used to calculate the technical provisions. The actuarial function reports to the Board of Management in writing at least once a year. In addition, the actuarial function issues an opinion on the general underwriting and acceptance policy and the appropriateness of the reinsurance agreements. The assessment of the adequacy of the technical provisions and the opinion on the general underwriting and acceptance policy also include an assessment with regard to sustainability risks. In organisational terms, the actuarial function at R+V is located at company level.

The key function auditing (3rd line of defence) at R+V is performed by Group audit. This audits compliance with the regulations of the risk management system and its effectiveness. Group audit is an independent and organisationally autonomous function from the operating divisions. It reports to Board of Management and is directly assigned to the CEO of R+V Versicherung AG. Measures are agreed to rectify any deficits identified and followed up by Group audit.

Risk strategy

The principles of risk management are based on the risk strategy of R+V Versicherung AG, which is adopted and updated annually and is closely interlinked with the business strategy. The strategic risk objectives of R+V Versicherung AG provide for conscious and calculated risk-taking within the defined risk appetite in order to be able to exploit earnings opportunities. All material risks of R+V Versicherung AG are covered by the risk strategy.

The objective of risk management is to ensure a broad balance of risk across all divisions and worldwide territorial diversification as well as portfolio optimisation in terms of earnings and risk.

One of the aims of the risk strategy for capital investments is to ensure a high level of stability in the balance sheet earnings contributions from capital investments by utilising diversification effects. Compliance with the risk policy objectives is also taken into account as part of strategic asset allocation.

R+V's asset liability management (ALM) is therefore an integral part of corporate management and serves to ensure profitability and financial stability as well as the ability to meet insurance obligations at all times. The aim is to match the liquidity, return and risk characteristics of the investments with the liquidity requirements, the financing requirements and the risk character of the technical liabilities.

Opportunity management

R+V's vision is to be the cooperative competence center for insurance, health and future provisions and to shape this together with its sales partners. The "WIR@R+V" strategy program focuses on customer enthusiasm as a key basis for future success. In addition, profitability is to be further increased through a stronger focus on profitability in order to continue to make a significant contribution to the business success of the Volksbanken Raiffeisenbanken Cooperative Financial Network (Cooperative Financial Network). The focus remains firmly on growth by strengthening the future fields of healthcare, members, sustainability and omnichannel. Through sustainable and solid management, we will always maintain adequate financial strength so that we can continue to serve all service commitments as a reliable partner in the long term.

In the assumed reinsurance business, R+V Versicherung AG sees profitability impulses in individual reinsurance markets. This involves differentiated market development with a view to achieving a balanced and profitable portfolio.

In the coming years, the reinsurance segment should contribute to an increase in results, taking into account the current macroeconomic conditions, prices on the reinsurance markets and targeted portfolio management.

Thanks to its business model and existing risk-bearing capacity, R+V can exploit investment opportunities, particularly from investments with a longer time horizon and higher potential returns, largely independently of short-term capital market fluctuations. Thanks to its broad diversification, R+V reduces risks from potential adverse capital market developments.

In order to position itself in the competitive environment and to assess its long-term financial strength, R+V Versicherung AG undergoes an annual interactive process to assess its financial strength (financial strength rating) by the rating agency S&P Global Ratings (S&P). In accordance with its publicly available methodology, the analyst firm takes into account the close integration of R+V Versicherung AG into the DZ BANK Group and the Cooperative Financial Network. As a result of this connection with the Cooperative Financial Network, S&P assigns a network rating that has a direct impact on the financial strength rating of R+V Versicherung AG.

S&P last confirmed the financial strength rating for R+V Versicherung AG at A+ in May 2023 and also left the outlook at stable. Due to the connection within the Cooperative Financial Network, the S&P financial strength rating of R+V Versicherung AG automatically follows the network rating in terms of the method described.

Risk-bearing capacity

The risk-bearing capacity is represented by the ratio of own funds to the risks resulting from business activities. The regulatory risk-bearing capacity is determined using the standard formula in accordance with Solvency II. The risk capital requirement (SCR: Solvency Capital Requirement) is calculated as value-at-risk with a confidence level of 99.5%. The overall solvency needs (OSN) is also quantified as part of the economic risk-bearing capacity in accordance with the risk types of the Solvency II standard formula. Risk diversification, which is a key aspect of an insurance company's business model, is taken into account in the calculations.

The appropriateness of the risk quantification procedure is reviewed annually and, if necessary, on an ad hoc basis by Risk Management.

In the 2023 financial year, R+V Versicherung AG met the regulatory solvency requirements under Solvency II. The capital market scenarios used in internal planning indicate that the regulatory risk-bearing capacity of R+V Versicherung AG will be above the statutory requirements as at December 31, 2024.

The analysis of the economic risk-bearing capacity also shows that the own funds of R+V Versicherung AG exceed the overall solvency requirement as at December 31, 2023.

Regulatory and macroeconomic risk factors

R+V is exposed to possible changes in the regulatory framework. In principle, regulation may be subject to supervisory, commercial, capital market, stock corporation and tax law standards.

R+V is also subject to a number of macroeconomic risk factors that could have a negative impact on growth and the economy.

In some regions of the world, there are hotbeds of conflict that are not regionally limited, but also lead to tensions between major powers with economic, military and financial implications for the Federal Republic of Germany and the European Union (EU).

The political scope of the war between Israel and the terrorist organisation Hamas goes far beyond previous conflicts between the two sides. The greatest military, but also economic risk would lie in Iran entering the war. In this case, the two largest armies in the region would be facing each other, and the USA, which is closely allied with Israel, would at least be prepared to intervene militarily if necessary. This would have serious consequences for the global economy. In particular, major supply bottlenecks for crude oil and liquid gas would have to be expected, which could trigger a massive increase in world market prices and a new surge in inflation.

The economic consequences of the war in Ukraine are being felt worldwide. Russia's invasion of Ukraine caused the biggest commodity shock since 1973 and one of the most serious disruptions to wheat supplies in a century.

Global geopolitical tensions could have a negative impact on global trade. In addition to the effects of disrupted supply chains, there is a risk that trade frictions between the US, China and the EU could escalate again. This could have negative consequences for the global economy and, in particular, for the export-dependent German economy. The sanctions imposed by Western countries on Russia in response to the war in Ukraine are creating additional potential for tension between the EU and the US towards countries that do not implement these sanctions, or only partially implement them, such as China. Restrictions on global trade could lead to higher import prices and a shortage of primary products for companies in Germany on the one hand, and cause a decline in exports on the other.

The comparatively high stability of the US economy is due to exceptionally extensive government support programs. The US budget deficit currently amounts to seven percent of gross domestic product each year. The high level of debt is likely to continue because Congress will not tackle the problem in the coming election year. A possible re-election of Donald Trump could result in even higher debt. A persistently high level of US debt could lead to a rising interest burden and affect market confidence in the long term. Furthermore, a second term in office for Donald Trump would likely lead to a renewed escalation of trade conflicts, which could have negative consequences for the export-oriented German economy. This could lead to a decline in investment, reduced economic activity and ultimately to a recession in the US. A weaker US economy would have far-reaching effects on the global economy, as the US plays an important role in world trade and as a sales market for many countries. If American demand falls and economic uncertainties increase, other countries could also be affected by lower exports and economic challenges, which could lead to a global recession.

The ongoing fiscal policy problems in various countries have led to high debt levels and rising interest charges. This puts a strain on the budgets of these countries and limits the financial scope for investment and public spending.

German gross domestic product fell by 0.3 percentage points in 2023 compared to the previous year. The weak phase of the German economy, with economic growth close to zero, will therefore continue for the time being, especially as the rise in interest rates is having a dampening effect on the economy.

At the same time, there is a risk that structural problems such as labor shortages and continued high energy prices could lead to a renewed rise in inflation, whereby the resulting inflation would not only be transitory, but would remain above the ECB's inflation target in the long term. This would be particularly critical if, in addition to the fall in production in the manufacturing industry, the rise in prices led to a reluctance to spend on the part of consumers and to wage increases on the labor market, which would result in a wage-price spiral. This could ultimately lead to a prolonged phase of stagflation, i.e. a combination of increased inflation, stagnating production and demand and rising unemployment. In addition, the ECB's scope for combating inflation is likely to be limited compared to the past, not least due to the further increase in government debt in vulnerable Eurozone countries as a result of the pandemic.

The real estate markets are currently being burdened by the sharp rise in prices for construction services and materials as well as significantly higher interest rates. Higher interest rates are exacerbating the financial burden for property buyers, while at the same time inflation is reducing the income available to households for repayments. In addition, transaction activity is very subdued with moderate reductions in market values.

In the commercial real estate market, project developers and builders are particularly affected by the rise in material, energy and financing costs. In addition, there is still uncertainty regarding the effects of economic and inflationary developments and structural change in the retail sector, particularly for hotel properties, office properties, department stores, shopping centers and inner-city commercial properties with predominantly non-essential retail use.

As a result of the key interest rate hikes by the Federal Reserve Board and the ECB in the last two years, market interest rates have returned to levels last seen before the financial crisis. The interest rate level is having an impact on inflation rates, which are falling faster than the markets had expected at the end of the financial year due to the weak economy and base effects in energy prices. With the central banks' inflation target of two percent back in sight, key interest rates could fall significantly faster than expected over the course of the coming financial year. If interest rates are cut too quickly, there is a risk that inflation-driving effects such as a wage-price spiral could push inflation up again.

On the other hand, the US debt ratio rose significantly in the financial year. At the same time, there was a significant decline in demand for US government bonds from institutional investors. If this trend continues, the imbalance between supply and demand could worsen and be reflected in further rising, structurally higher yields. In the US, this would exacerbate fears of a fiscal policy crisis if the government deficit remains high, and the debt sustainability of the US could be called into question. A further rise in interest rates in the US would also be expected to lead to rising interest rates in the Eurozone, meaning that the debt sustainability of some European countries could also be called into question. In addition, unexpectedly stronger economic growth could lead to a rise in interest rates.

The sustainability reporting obligation described in the non-financial reporting section of the management report in accordance with the CSRD and the associated standards (ESRS) expand the scope of risk management in relation to sustainability. They stipulate what material information companies must report with regard to the impacts, risks and opportunities of sustainability aspects in the areas of environmental, social and governance (ESG risks). The CSRD is based on the principle of dual materiality. In addition to the financial perspective, the impact perspective (i.e. the effects on the environment and people) must therefore also be included in the risk assessment. The risk assessment of sustainability aspects also requires a short, medium and long-term view. R+V Versicherung AG will be required to report in accordance with the CSRD for the first time for the 2024 financial year and has set up the "CSRD@R+V" program for the purpose of implementing the new requirements described above, within which the material ESG risks for R+V Versicherung AG are analyzed and assessed.

Sustainability risks

Sustainability risks can represent risk factors for existing risk types and are taken into account in these. Sustainability risks are defined as events or conditions from the areas of climate and environment, social or corporate governance (ESG), the occurrence of which could have an actual or potential negative impact on the value of the investment or on the value of the liability as well as on reputation.

At R+V, sustainability risks are not seen as a separate type of risk.

From a climate and environmental perspective, both physical and transitory risks are significant. Physical climate and environmental risks can be acute events such as the increased occurrence of natural disasters or negative effects that are attributable to permanent climate change.

Transitory risks can arise in connection with the transition to a lower-carbon and more environmentally sustainable economy. They often go hand in hand with legislative changes and changes in consumer behavior.

Damage caused by climate change and the transformation to a low-emission economy can have significant negative consequences for the real economy and the financial system.

Physical climate risks are particularly significant for the catastrophe risk, which is a manifestation of the non-life underwriting risk. In particular, the actual claims burden resulting from the amount and frequency of losses in a given year may exceed the expected burden.

Furthermore, physical climate risks that occur as environmental events can trigger operational risks caused by buildings being unusable or IT infrastructure failing.

Transitory climate risks can primarily be reflected in R+V's market risk with possible negative changes in the market values of capital investments.

Social risks can arise due to inadequate standards for the protection of fundamental rights of employees or for their inclusion, as well as from inappropriate customer practices. This includes violations of labor law, occupational health and safety standards. In addition, social risks can be caused by abusive business practices towards customers, especially if this leads to a change in customer and demand behavior in the long term.

Corporate governance risks arise, for example, from inadequate or non-transparent governance structures or insufficient measures to combat money laundering and all forms of corruption.

Social risks and corporate governance risks can trigger operational risks and have a negative impact on R+V's reputation.

Underwriting risk

Underwriting risk is the risk that the actual cost of claims and benefits may deviate from the expected cost due to chance, error or change.

For R+V Versicherung AG, it essentially consists of the premium and reserve risk as well as the catastrophe risk non-life. The premium risk covers the negative deviation of the underwriting result from expectations for future obligations. The reserve risk arises from the uncertainty of predicting the settlement of claims that have already occurred.

R+V Versicherung AG counters the premium and reserve risk by continuously monitoring the economic and political situation and managing risk in accordance with its strategic orientation, taking into account risk-appropriate pricing. Risk management is based on a profit-oriented underwriting policy. Risks are assumed within binding underwriting guidelines and limits that restrict liability for both individual claims and accumulation losses. When underwriting risks, R+V Versicherung AG takes into account the economic cost of capital. Compliance with these guidelines is monitored.

The main underwriting risks in the assumed reinsurance portfolio are catastrophe risk, reserve risk and serious changes in the underlying trends of the main markets.

Limits are used for the central management and limitation of accumulation risks. One risk management tool is the systematic accumulation control of approved limits. Significant risk concentrations in the portfolio are continuously monitored.

Risk mitigation measures include the management of gross risk and the retrocession of portfolio components, taking into account risk-bearing capacity and retrocession costs. Minimum requirements apply with regard to the creditworthiness of the retrocessionaires. Several retrocession agreements exist for the reinsurance business assumed to cover accumulation risks in the event of natural disasters in Europe, the United States and other exposed regions of the world. Ongoing monitoring of loss trends enables preventive measures to be taken to achieve a sufficient level of reserves. Reserves are monitored by means of an annual reserve report, among other things.

Market risk

Market risk is the risk arising from fluctuations in the amount or volatility of market prices for assets, liabilities and financial instruments that affect the value of the company's assets and liabilities. It reflects the structural incongruence between assets and liabilities, particularly with regard to their maturity.

Market risk is made up of the sub-categories of interest rate, spread, equity, currency, real estate and concentration risk. Investment risks are the subject of equity risk.

Investment risks are managed in accordance with the guidelines issued by the European Insurance and Occupational Pensions Authority (EIOPA), the provisions of the German Insurance Supervision Act (VAG), regulatory circulars and internal investment guidelines. At R+V Versicherung AG, compliance with the internal regulations in the risk management guideline for investment risk and the other regulatory investment principles and regulations is ensured by investment management, internal control procedures, a prospective investment policy and other organisational measures. Risk management encompasses both economic and accounting aspects. At the organisational level, R+V Versicherung AG counters investment risks through a functional separation of investment, processing and controlling.

R+V Versicherung AG generally counters investment risks by observing the principle of the greatest possible security and profitability while ensuring liquidity at all times in order to guarantee the quality of the portfolio. R+V Versicherung AG's investment policy aims to minimize risk by mixing and diversifying investments.

In addition to diversification across maturities, issuers, countries, counterparties and asset classes, limits are used to limit risks.

At R+V Versicherung AG, ALM analyzes are carried out. Stress tests and scenario analyzes are used to continuously review the amount of hedging required to maintain solvency. In particular, the effects of a further rise in interest rates and volatile capital markets are examined.

R+V Versicherung AG uses derivative instruments to manage market risks.

When managing interest rate risks, R+V Versicherung AG pays attention to a mix and spread of investments combined with duration management that takes into account the structure of the obligations and balanced risk-taking in selected asset classes.

Default risks and migration risks are also considered in the spread risk. The credit spread is the interest rate difference between a risky and a risk-free bond investment. When managing spread risks, R+V Versicherung AG pays particular attention to a high credit rating of the investments, whereby the majority of the bond portfolio is invested in the investment grade area. The use of external credit risk assessments and our own expert ratings, some of which are stricter than the credit ratings available on the market, further reduces risks.

The capital markets are significantly affected by current geopolitical developments and increased inflation. This is reflected in the increased volatility of the market values of investments. A further rise in interest rates and a widening of risk premiums for bonds could lead to a further decline in the market value of investments. A fall in interest rates would have a positive valuation effect on the portfolio of interest-bearing investments in the short term.

Investment risks arise for R+V Versicherung AG in particular from strategic investments in life insurance companies of the R+V Group.

The investment portfolio is regularly assessed with the help of sustainability indicators, including ESG scores, which are obtained from external data providers. Assessments of climate risks, controversies and normative violations, such as violations of the UN Global Compact, are used for this purpose. Engagement processes can be carried out with individual issuers to mitigate ESG risks. In 2021, R+V also set itself a science-based climate target for its investments, which includes a reduction in greenhouse gas emissions from investments to (net) zero by 2050.

Default risks consist of a possible deterioration in the economic situation of issuers or debtors and the resulting risk of partial or complete default on receivables or creditworthiness-related impairments. The investments of R+V Versicherung AG generally have a high credit rating and a solid collateralization structure. In particular, these are receivables in the form of government and corporate bonds.

Equity risks are reduced through diversification in various equity asset classes and regions.

At R+V Versicherung AG, shares are used as part of a long-term investment strategy to ensure that obligations to cedants can be met. The aim is not to achieve profits from short-term fluctuations through realizations. Due to the broadly diversified investment portfolio, the risk of having to sell shares at an unfavorable time is reduced.

In its function as the parent company of the R+V Group, R+V Versicherung AG directly or indirectly holds the majority of shares in the companies of the R+V Group as strategic investments. These participations account for the vast majority of the investment portfolio. The market risk from these participations is shown in the risk calculation as part of the equity risk. In order to limit the risks from these participations, the acquisition, portfolio and basic orientation of the participations are consciously managed taking all framework conditions into account.

Currency risks result from exchange rate fluctuations either from investments held in foreign currencies or if there is a currency imbalance between the technical liabilities and the investments. They are controlled by means of systematic currency management. The reinsurance portfolios are almost completely covered in matching currencies.

Real estate risks can arise from negative changes in the value of directly or indirectly held properties. These can result from a deterioration in the specific characteristics of the property or general changes in market value (e.g. in the context of a real estate crisis). Real estate risks are reduced through diversification in various locations and forms of use.

At R+V Versicherung AG, concentration risks are reduced by mixing and diversifying the investments. This is demonstrated in particular by the broad issuer base in the portfolio.

Special aspects of the loan portfolio

R+V Versicherung AG invests primarily in issuers or debtors with a good to very good credit rating. R+V generally uses approved external ratings to assess creditworthiness; in addition, internal expert assessments are carried out to check the plausibility of the external ratings in accordance with the requirements of the EU regulation on rating agencies (CRA III). R+V has defined the external rating as the maximum, even if its own assessments come to a better result.

Counterparty risks are limited by investing in bonds with high credit ratings. In the strategic asset allocation, the non-investment grade share is limited to a maximum of 4%. Of the investments in fixed-interest securities, 90.9% (2022: 90.6%) were rated equal to or better than "A" according to the S&P system and 74.4% (2022: 73.6%) were rated equal to or better than "AA".

There was a correction on the real estate markets in the financial year, which was reflected in value adjustments on individual investments.

R+V Versicherung AG reviews the credit portfolios with regard to crisis-related developments. Identified risks are monitored, analyzed and managed by means of reporting and discussion in R+V's decision-making bodies. Portfolio adjustments are made where necessary.

Counterparty default risk

Counterparty default risk takes into account possible losses resulting from an unexpected default or deterioration in the creditworthiness of counterparties and debtors of insurance and reinsurance companies during the following twelve months. It covers risk-mitigating contracts such as reinsurance agreements, securitizations and derivatives as well as receivables from intermediaries and all other credit risks, provided they are not otherwise taken into account in the risk measurement.

At R+V Versicherung AG, such risks exist in particular for counterparties to derivative financial instruments and for reinsurance counterparties.

Transactions with derivative financial instruments are governed by internal guidelines. These include, in particular, volume and counterparty limits. The various risks are monitored and presented transparently as part of the reporting system. Details on derivative financial instruments are explained in the notes.

In order to assess counterparty and issuer risks, R+V Versicherung AG draws on the assessments of international rating agencies, which are supplemented by its own creditworthiness analyzes. Compliance with the limits for the main counterparties is monitored on an ongoing basis. Utilization of the limits and compliance with the investment guidelines are monitored.

The default risk for accounts receivable from assumed and retroceded reinsurance business is limited by the constant monitoring of ratings and other sources of information available on the market.

Operational risk

Operational risk refers to the risk of losses due to inadequate or failed internal processes or from employee- and system-related or external incidents. Legal risks are included here.

R+V uses scenario-based risk self-assessments (RSA) and risk indicators to manage and control operational risks. As part of the RSA, operational risks are assessed in terms of their probability of occurrence and the amount of loss. In exceptional cases, qualitative assessments may be used.

Risk indicators enable early statements to be made on trends and accumulations in risk development and allow weaknesses in business processes to be identified. Risk situations are signaled on the basis of predefined threshold values using traffic light logic.

To support the management of operational risk, all of R+V's business processes are structured in accordance with the framework guidelines for the powers and authorisations of employees of R+V companies. Further guidelines, in particular acceptance and underwriting guidelines, are in place for areas not covered by this guideline.

The internal control system (ICS) is a key instrument for limiting operational risks. The risk of undesirable developments and fraudulent actions is countered through regulations and controls in the specialist areas and the review of the application and effectiveness of the ICS by Group audit.

To mitigate legal risks, the relevant case law is monitored and analyzed in order to identify the need for action in good time and implement concrete measures. Legal disputes arising from the processing of claims or benefits from insurance cases are taken into account in the technical provisions and are therefore not included in operational risk.

Ensuring the stable, secure and cost-effective operation of information and communication infrastructures and application systems is fundamental to the IT strategy. IT operations are largely centralised with a high degree of vertical integration. This is done using standardised IT processes and procedures, best practice approaches and close alignment with market standards.

Physical and logical protection measures are used to ensure the security of data and applications and to maintain ongoing operations. The partial or total failure of data processing systems poses a particular risk. R+V has taken precautions by having two separate data center locations with data and system mirroring, special access security, fire protection precautions and a secure power supply via emergency power generators. A defined restart procedure in the event of a disaster is tested for effectiveness in drills. Data backups are made in different buildings with highly secured rooms. In addition, the data is mirrored to a tape robot in a remote and outsourced location.

The level of security is supported by systematic assessments of protection requirements, security concepts based on defined IT security standards, emergency concepts and capacity management. Capacity management is based on quantitative and qualitative aspects and provides for the flexible use of sourcing options and the risk-based use of IT providers for suitable tasks. These are integrated into the processes as required and monitored on a risk-oriented basis.

The company uses an information risk management process with corresponding roles, responsibilities and procedures to manage and control cyber/information risks. The risks are viewed holistically. Various information and IT security management tools, such as target/actual comparisons and penetration testing, are used to identify cyber/information risks. The respective information risk owner decides on the treatment of identified risks in accordance with the system and the steps of the established information risk management process.

To protect against potential outsourcing risks, outsourcing is categorised in a structured manner, potential risk factors are identified as part of the risk analysis, risk mitigation requirements are derived, including contractually agreed standard content, and integration into emergency management.

To ensure business continuity, R+V has a business continuity management system (BCM system), which also includes emergency and crisis management. The BCM is intended to ensure that business operations can be maintained in the event of an emergency or crisis. For this purpose, the (time) critical business processes are recorded with the required resources and the necessary documentation, such as business continuation plans, is created and reviewed. There are also separate organisational structures for dealing with emergencies and crises, such as the R+V crisis management team / situation center and the individual emergency teams of the departments and locations.

To ensure the safe and efficient implementation of projects, R+V has set up an Investment Commission, which prepares decision papers for approval and monitors major projects. After project approval, the project managers of all major projects report to the Investment Commission. This means that the projects are subject to independent and close project controlling.

Other significant risks

Liquidity risk

Liquidity risk is the risk that insurance companies are unable to realise investments and other assets in order to meet their financial obligations as they fall due.

The liquidity of the R+V companies is managed centrally. As part of multi-year planning, an integrated simulation is carried out for portfolio and profit development in the investment area as well as for the development of cash flows. Management is based on the forecast development of all significant cash flows from the underwriting business, investments and general administration. The fulfillment of regulatory liquidity requirements is continuously checked for new investments.

Sensitivity analyzes of key actuarial parameters are used to ensure sufficient liquidity under crisis-ridden market conditions on a monthly basis. Threshold values are defined for this purpose and compliance with them is monitored. The results presented as part of the monthly reporting system show the ability of R+V Versicherung AG to meet its obligations at all times.

Risk concentrations

Risk concentrations in the broader sense are collections of individual risks that can materialise together with a significantly higher probability due to high dependencies or related cause-effect relationships. The interdependencies and the relationship of the cause-effect relationships sometimes only become apparent in stress situations.

The investment behaviour of R+V Versicherung AG is aimed at avoiding risk concentrations in the portfolio and optimising the risk profile through extensive diversification of investments. Compliance with the quantitative limits specified by the internal regulations in the risk management guideline for investment risk in accordance with the principle of appropriate mix and spread contributes to this.

R+V counters risk concentrations in assumed reinsurance business by maintaining a balanced portfolio with a worldwide territorial diversification of lines of business and customer groups.

Strategic risk

The strategic risk arises from strategic business decisions or from the fact that these are not adapted to a changed economic environment.

Changes in the legal and regulatory framework as well as changes in the market and competition are subject to constant monitoring so that opportunities and risks can be responded to in good time. R+V continuously analyzes and forecasts national and global issues that influence business-relevant parameters.

Reputational risk

Reputational risk refers to the risk of loss resulting from possible damage to the reputation of the company or the entire industry as a result of negative public perception (e.g. by customers, business partners, shareholders, authorities, media).

Reputational risks occur as independent risks (primary reputational risk) or they arise as a direct or indirect consequence of other types of risk, such as operational risk in particular (secondary reputational risk).

Reputational risks can result from maintaining a business relationship with a company that may be exposed to a sustainability risk. The omission of sufficiently sustainable activities in external and internal perception, which results in a loss of trust among the relevant stakeholders, can also lead to a reputational risk.

R+V's corporate communications are coordinated centrally in order to counter any misrepresentation of facts. Media coverage of the insurance industry in general and R+V in particular is monitored across all departments and analyzed on an ongoing basis.

Risk situation

The current regulatory requirements (Solvency II) are met. The current risk situation is within the company's risk-bearing capacity.

Beyond the risks described in this report, from today's perspective no further developments are discernible that could have a lasting negative impact on the net assets, financial position and earnings position of R+V Versicherung AG.

Forecast report

Reserves for forward-looking statements

The assessment and explanation of the expected development with its significant opportunities and risks is made to the best of our knowledge and belief on the basis of currently available information. This includes industry prospects, future economic and political conditions, development trends, as well as their key influencing factors. Obviously, these prospects, framework conditions and trends may change in the future without this being foreseeable at present.

Overall, the actual development of R+V Versicherung AG may therefore deviate significantly from the forecasts. The estimates are based primarily on plans, forecasts and expectations. The assumptions are based on the valuation factors and findings as at the balance-sheet date and are characterized by considerable uncertainties, particularly with regard to further future developments. The following assessment of the development of R+V Versicherung AG therefore reflects imperfect assumptions and subjective views for which no liability is accepted.

Macroeconomic development

Due to ongoing geopolitical tensions and political burdens, many companies and households continue to operate under high uncertainty. Economic researchers expect global growth to weaken again, while inflation rates continue to fall. The macroeconomic normalization that has already begun following the crisis events of recent years is thus continuing.

In its fall annual report, the German Council of Economic Experts forecasts real GDP growth of 0.7% in Germany and 1.1% in the Eurozone in 2024. The inflation rate is expected to fall to 2.6% in Germany and 2.9% in the Eurozone.

Developments on the capital markets

Developments on the capital markets in 2024 are likely to be shaped by inflation, the economy, and the outcome of various elections. After a stabilization phase, the major central banks could begin to lower their interest rates. Spreads on corporate bonds and equities could react positively to the declining economic risks. Volatility on the capital markets could remain high due to geopolitical uncertainties and, in particular, the upcoming elections in the USA.

In R+V's capital investment strategy, the high proportion of fixed-interest and creditworthy securities ensures that the technical obligations can always be met. The opportunities on the interest-rate and credit markets are to be exploited, provided that the securities continue to be of high quality, are broadly diversified and are subject to strict risk control, particularly through investments in government and corporate bonds. Investments in equities, real estate and alternative investments will be expanded. Investment activities will continue to be based on a long-term investment strategy combined with integrated risk management.

Development on the reinsurance markets

The improvement in prices and conditions for reinsurance coverage will continue in 2024. The impact of climate change on the natural-catastrophe events of recent years made it clear that both events with high return periods and increased-frequency losses are not yet sufficiently reflected in the agreements between primary insurers and their reinsurance partners. In addition, there are catch-up effects resulting from inflation-related higher claims-burdens that still need to be factored into the prices for primary insurers and reinsurers.

Ongoing geopolitical uncertainties, economic challenges exacerbated by armed conflicts and persistently volatile capital-markets will maintain the pressure on both primary insurers and reinsurers to generate positive underwriting results.

International reinsurers currently have free access to the local primary-insurance markets in most countries. It cannot be ruled out that national legal systems and sanctions mechanisms will provide stricter conditions under which international reinsurers will be permitted to reinsure national primary insurers.

Despite the volatile and uncertain market environment, the rating agencies largely attest to the sector's stable prospects.

The "WIR@R+V" strategy implemented in 2021 consists of the three core elements of growth, innovation, and profitability. Abbreviated as WIR, the strategy takes into account compounded environmental factors. The strategy focuses on four goals: Delighting customers, increasing profitability, shaping growth, and maintaining capital strength. The aim is to continue the successfully-initiated transformation process as well as secure and increase R+V's performance and competitiveness in the long term. The strategy brings growth and earnings into a new balance, combined with a change in underwriting and investment behavior. Sustainability is an integral part of the new strategy.

Considering the influencing factors and the strategy described above, R+V Versicherung AG plans to continue and intensify its activities to increase underwriting results in 2024. The core processes of underwriting, pricing, and claims management will continue to be adapted to market conditions to offer customers the desired high level of service.

R+V Versicherung AG expects strong premium growth for the 2024 financial year. The underwriting result before equalization provision is expected to be significantly higher than the break-even figure for the financial year. Based on the planning calculation, a significant improvement in the gross combined ratio is expected compared to the previous year. This expectation iassumes that no major claims will occur outside the expected value. According to plan, a strong increase in investment income is expected. Another result is expected to be significantly lower than in the current year. As per of the prevailing coverage, no currency result is planned. However, this could influence the net income of R+V Versicherung AG. Overall, considering the change in the equalization reserve and the non-technical result, a profit transfer slightly below that of the financial year is expected for 2024.

Thanks to

The Executive Board would like to expressly gratitude and appreciation to the employees of the R+V Group for their commitment in this financial year, which was once again characterized by multiple challenges..

The Management Board would like to thank the Executive Staff Committee and the Works Council for i trusting cooperation.

We would particularly like to thank our business partners and customers for the trust they have placed in us.

Wiesbaden, March 4, 2024

The Executive Board

Active branches of insurance

In the fiscal year the company was active in the following branches of domestic and foreign reinsurance:

Life

Health

Accident

Liability

Motor

Aviation

Legal

Fire and allied perils

Burglary and theft

Water damage

Storm

Comprehensive home contents

Comprehensive home-owners

Glass

Hail

Livestock

Engineering

Marine including marine technology and valuables

Credit and bonds

Business interruption

Other

2023 Annual Financial Statements

Balance sheet

as at 31 December 2023

Assets

in Euro				2023	2022
A. Capital investments					
I. Land, land rights and buildings, including buildings on third-party land			3,091,994.17		3,124,989.17
II. Capital investments in affiliated companies and shareholdings					
1. Shares in affiliated companies		3,018,794,148.96			2,915,839,224.87
2. Loans to affiliated companies		242,340,012.66			274,638,929.12
3. Shareholdings		376,245.81	3,261,510,407.43		376,245.81
III. Other capital investments					
1. Stocks, shares or shares in investment funds and other variable interest securities		1,118,162,808.90			1,146,459,489.84
2. Bearer bonds and other fixed-interest securities		4,189,785,119.65			4,076,855,750.62
3. Other loans					
a) Registered bonds	550,795,538.17				511,535,897.88
b) Bonded debt receivables and loans	116,950,988.41	667,746,526.58			112,374,168.25
4. Deposits at banks		518,752,192.24			445,221,336.15
5. Other capital investments		254,717,925.80	6,749,164,573.17		225,228,398.29
IV. Deposits with ceding insurers			383,715,385.58		428,123,635.95
				10,397,482,360.35	**10,139,778,065.95**

in Euro					2023	2022
B. Receivables						
I. Settlement receivables from reinsurance business				380,052,456.45		420,872,599.19
Thereof due to: Affiliated companies	4,598,063.44	(PY: 8,842,632)				
II. Other receivables				144,811,585.48		209,810,994.34
Thereof due to: Affiliated companies	120,710,131.15	(PY: 136,443,677)				
					524,864,041.93	**630,683,593.53**
C. Other assets						
I. Property, plant, equipment and inventories				2,454,311.83		2,575,370.83
II. Cash at banks, cheques and cash in hand				199,690,162.76		182,915,252.64
III. Other assets				55,791,837.70		58,177,787.97
					257,936,312.29	**243,668,411.44**
D. Accruals and deferred income						
I. Accrued interest and rents				52,371,837.41		47,119,454.36
II. Other accruals				510,334.02		544,240.37
					52,882,171.43	**47,663,694.73**
Total assets					**11,233,164,886.00**	**11,061,793,765.65**

Liabilities

in Euro				2023	2022
A.	**Shareholders' equity**				
I.	Called-up capital				
	Subscribed capital	374,234,025.97			374,234,025.97
	minus uncalled outstanding investments	-	374,234,025.97		-
II.	Capital reserves		1,858,352,354.03		1,858,352,354.03
	Thereof reserves in accordance with Section 9 (2) No. 5 VAG (Versicherungsaufsichtsgesetz [Insurance Supervision Act]): - (PY: -)				
III.	Retained earnings				
	Other retained earnings		164,666,337.05		164,666,337.05
				2,397,252,717.05	**2,397,252,717.05**
B.	**Technical provisions**				
I.	Unearned premium reserve				
	1. Gross	155,706,656.64			153,264,933.27
	2. Deducted thereof: share of retrocession business	-5,595,081.22	161,301,737.86		-8,747,523.79
II.	Actuarial reserves				
	1. Gross	12,873,230.15			33,438,566.49
	2. Deducted thereof: share of retrocession business	183,300.42	12,689,929.73		16,803,914.88
III.	Provision for outstanding claims				
	1. Gross	6,617,407,913.12			6,466,217,129.50
	2. Deducted thereof: share of retrocession business	214,139,342.98	6,403,268,570.14		369,400,105.78
IV.	Provisions for performance based and non-performance based premium funds				
	1. Gross	4,323,432.00			4,887,740.75
	2. Deducted thereof: share of retrocession business	-	4,323,432.00		-
V.	Equalisation provision and similar provisions		1,114,026,176.00		1,045,267,726.00
VI.	Other technical provisions				
	1. Gross	2,208,826.98			3,923,231.99
	2. Deducted thereof: share of retrocession business	-	2,208,826.98		-
				7,697,818,672.71	**7,329,542,831.13**

in Euro						2023	2022
C.	**Other provisions**						
I.	Provisions for pensions and similar obligations				10,069,078.00		11,665,405.41
II.	Tax provisions				5,301,760.04		22,278,879.18
III.	Other provisions				93,354,976.33		86,648,190.48
						108,725,814.37	**120,592,475.07**
D.	**Deposit liabilities received from reinsurers**					**78,574.78**	**17,368,035.22**
E.	**Other liabilities**						
I.	Settlement liabilities from reinsurance business				727,232,965.63		912,392,622.17
	Thereof due to:						
	Affiliated companies	184,128,490.42	(PY: 358,192,542)				
	Associated companies	4,355.71	(PY: 847,553)				
II.	Bonds				38,580,102.24		36,374,458.86
III.	Other liabilities				263,476,039.22		248,270,626.15
	Thereof:						
	from taxes	2,819,820.04	(PY: 15,978,682)				
	social security	171,129.74	(PY: 8,476)				
	due to:						
	Affiliated companies	249,267,703.54	(PY: 220,087,265)				
						1,029,289,107.09	**1,197,037,707.18**
Total liabilities						**11,233,164,886.00**	**11,061,793,765.65**

Profit and loss account

For the period 1 January to 31 December 2023

Profit and loss account

in Euro			2023	2022
I. Technical account				
1. Premiums earned for own account				
a) Gross premiums written	3,786,644,755.49			3,513,482,425.20
b) Reinsurance premiums ceded	210,253,198.65	3,576,391,556.84		156,652,767.57
c) Change in gross unearned premium reserve	-5,265,255.63			13,859,734.92
d) Change in gross unearned premium reserve - reinsurers' share	-3,321,833.38	-1,943,422.25		-733,611.90
			3,574,448,134.59	**3,371,423,004.45**
2. Technical interest income for own account			**-644,967.17**	**1,057,479.03**
3. Other technical earnings for own account			**-**	**-**
4. Expenditure for insurance claims for own account				
a) Payments for claims				
aa) Gross	2,569,988,254.57			2,722,917,341.76
bb) Reinsurers' share	215,453,209.60	2,354,535,044.97		359,509,661.22
b) Change in provision for outstanding claims				
aa) Gross	197,286,681.86			-117,570,662.45
bb) Reinsurers' share	-155,197,163.20	352,483,845.06		-306,455,388.25
			2,707,018,890.03	**2,552,292,406.34**
5. Change in other technical net provisions				
a) Net actuarial reserves		1,551,550.64		715,059.28
b) Other technical net provisions		1,682,632.23		764,495.54
			3,234,182.87	**1,479,554.82**
6. Expenditure on performance-based and non-performance based premium funds for own account			**3,850,391.57**	**3,394,627.99**
7. Expenditure on insurance operations for own account				
a) Gross expenditure on insurance operations		873,948,079.66		840,912,181.56
b) Deducted thereof: reinsurance commissions and profit participations received on retrocession		10,862,376.79		10,679,311.10
			863,085,702.87	**830,232,870.46**
8. Other technical expenses for own account			**3,447,781.60**	**2,554,681.97**
9. Subtotal			**-365,415.78**	**-14,514,548.46**
10. Change in the equalisation provision and similar provisions			**-68,758,450.00**	**-141,075,777.00**
11. Underwriting result for own account			**-69,123,865.78**	**-155,590,325.46**

in Euro				2023	2022
II. Non-technical account					
1. Income on capital investments					
a) Income from holdings		70,014,255.30			62,178,703.46
Thereof from affiliated companies:					
70,010,247.60 (PY: 62,174,696)					
b) Income from other capital investments					
Thereof from affiliated companies:					
10,804,820.90 (PY: 6,795,723)					
aa) Income from land, land rights and buildings including buildings on third-party land	759,757.73				741,795.90
bb) Income from other capital investments	135,517,581.96	136,277,339.69			139,977,701.01
c) Income from write-ups		22,594,606.53			23,160,543.77
d) Realised gains on capital investments		10,353,044.30			7,159,158.49
e) Income from profit pooling, profit and loss transfer agreements and partial profit and loss transfer agreements		118,082,089.94			171,869,457.72
			357,321,335.76		405,087,360.35
2. Expenditure for capital investments					
a) Expenditure for management of capital investments, interest expenditure and other expenditure on capital investments		18,582,711.89			21,650,185.67
b) Depreciation on capital investments		23,971,856.88			13,832,130.11
c) Realised losses on capital investments		4,128,515.94			420,572.89
d) Expenses from losses absorbed		3,970,119.32	50,653,204.03		-
			306,668,131.73		369,184,471.68
3. Technical interest income			644,967.17		-1,762,409.81
				307,313,098.90	**367,422,061.87**
4. Other income			71,067,778.27		72,464,093.82
5. Other expenditure			114,692,606.13		164,606,842.29
				-43,624,827.86	**-92,142,748.47**
6. Non-technical result				**263,688,271.04**	**275,279,313.40**
7. Result of ordinary business activities				**194,564,405.26**	**119,688,987.94**

in Euro					2023	2022
8.	Taxes on income and earnings			107,236,324.00		83,186,477.51
	Thereof: Allocation within consolidated entity	101,989,370.33	(PY: 77,033,402)			
9.	Other taxes			-18,243.82		77,195.68
					107,218,080.18	**83,263,673.19**
10.	Profits transferred due to profit pooling, a profit and loss transfer agreement or a partial profit and loss transfer agreement				**-87,346,325.08**	**-36,425,314.75**
11.	**Annual net income/loss**				**-**	**-**

Notes

Accounting and valuation methods

The 2023 annual financial statements of R+V Versicherung AG were prepared in accordance with the provisions of the German Commercial Code (HGB) in conjunction with the German Insurance Accounting Regulation (RechVersV) and other relevant statutory provisions and legal ordinances.

Land, land rights and buildings, including buildings on third-party land, were recognized at cost less depreciation in accordance with the lower of cost or market principle in the event of permanent impairment. Scheduled depreciation was carried out using the straight-line method over the normal useful life of 25 to 43 years. Impairment losses were recognized in accordance with Section 253 (3) sentence 5 HGB at the lower fair value on the reporting date. Write-ups were carried out in accordance with Section 253 (5) sentence 1 HGB; however, at most to the acquisition and production costs less scheduled depreciation.

Shares in affiliated companies and **participations** as well as **other investments** were recognized at acquisition cost, less depreciation in the case of expected permanent impairment. If the reasons for a write-down made in the past no longer existed, write-ups to the fair value up to a maximum of the acquisition value were made in accordance with Section 253 (5) sentence 1 HGB.

Collateral from bilaterally collateralized OTC derivatives is reported under other investments.

Loans to affiliated companies were valued according to their allocation to the items listed below.

Units or shares in investment funds denominated in Euro and other non-fixed-interest securities that are classified as fixed assets in accordance with Section 341b (2) sentence 1 HGB were recognized at the lower fair value on the reporting date in accordance with Section 253 (3) sentence 5 HGB if there was a permanent impairment in value. Otherwise, they are recognized at cost. In the case of special securities funds, the sustainable value was determined based on the assets contained therein. Bearer bonds were recognized at the repayment amount or at the higher fair value if the debtor's credit rating was given. If the debtor's credit rating was in the non-investment grade, the fair value was recognized. If the calculated earnings per share value of the individual shares was higher than the fair value, the shares were recognized at this earnings value, up to a maximum of 120% of the fair value on the reporting date. If the EPS value was below the fair value, the fair value was recognized. Write-downs were made to the sustainable value or the higher-share value of the capital management company.

Shares and units or stakes in investment funds denominated in foreign currencies, which are classified as fixed assets in accordance with Section 341b (2) sentence 1 HGB, were written down to fair value in accordance with the option under Section 253 (3) sentence 6 HGB.

Bearer bonds and other fixed-interest securities, which are classified as fixed assets in accordance with Section 341b (2) sentence 1 HGB, were recognized at amortized cost. In the event of permanent impairment in accordance with Section 253 (3) sentence 5 HGB, they were written down to fair value. Any difference between the amortized cost and the repayment amount was compensated using the effective interest method.

If the reasons for a past write-down in fixed or current assets no longer existed, write-ups to the fair value up to a maximum of the amortized cost were carried out in accordance with Section 253 (5) sentence 1 HGB.

Other loans were recognized at amortized cost unless individual value adjustments had to be made. Any difference between the acquisition cost and the repayment amount was amortized using the effective interest method.

Deposits with banks are recognized at the amount repayable. Negative interest on deposits is netted against income.

Deposits retained on assumed reinsurance business and **accounts receivable** from reinsurance business were recognized at their nominal amounts. Doubtful receivables were written down individually or written off directly.

All other **receivables were** recognized at their nominal value.

Assets that are not accessible to all other creditors and serve exclusively to meet pension obligations or comparable long-term obligations were measured at fair value in accordance with Section 253 (1) HGB and offset against the corresponding liabilities. The interest portion of the change in the asset is offset against the interest portion of the change in the corresponding obligation.

Operating and office equipment is measured at cost and depreciated on a straight-line basis over its useful life. Additions and disposals during the financial year were depreciated pro rata temporis. Low-value assets up to 250 Euro (net) were depreciated immediately. Assets with an acquisition cost of between 250 Euro and 1,000 Euro (net) were allocated to a collective item that is depreciated over five years, starting in the year of acquisition.

Negative interest on current credit **balances with banks** was reported under other expenses.

R+V Versicherung AG is a controlled company of DZ BANK AG for income tax purposes. As the income tax consequences result from differences in accounting under commercial and tax law at the parent company, the valuation differences between the commercial and tax balance sheets at R+V Versicherung AG as at December 31, 2023 are taken into account when recognizing deferred taxes at DZ BANK AG, provided that they are recognized there. Therefore, no deferred taxes are recognized at R+V Versicherung AG as at December 31, 2023.

The **other assets** were recognized at nominal amounts. Necessary value adjustments were made and deducted from assets.

The **technical provisions** (unearned premium reserve, actuarial reserves, provisions for outstanding claims, the provision for premium funds and other technical provisions) were generally recognized in accordance with the cedants' responsibilities.

If no tasks were available, the provisions were estimated based on the contractual conditions and the course of business to date. Appropriate increases were made in the case of cedants' claims provisions, which experience has shown to be too low. Appropriate provisions were also made for expected future claims. In the event of deviating assessments of the legal and contractual bases in individual cases, comprehensive internal processes are used to make the best possible individual assessment of the reserves. The reinsurers' shares of the provisions were determined in accordance with the contractual agreements.

The **equalisation reserve and similar provisions** (nuclear facilities, pharmaceutical risks) were calculated in accordance with Section 341h HGB in conjunction with Sections 29 and 30 RechVersV (Verordnung über die Rechnungslegung von Versicherungsunternehmen [Insurance Accounting Directive]).

Deposits retained on assumed reinsurance business and **accounts payable** from reinsurance business were recognized at the settlement amounts.

Provisions for pensions and similar obligations were measured using the projected unit credit method (PUC method) in conjunction with Section 253 (1) HGB based on the 2018 G mortality tables published by Heubeck-Richttafeln-GmbH, Cologne. Future developments and trends were considered. The provision for pensions was discounted based on the average market interest rate of the last ten years published by the Deutsche Bundesbank for October 2023 with an assumed remaining term of 15 years. The interest rate was extrapolated to the end of the year.

The parameters used were:

Salary dynamics:	2.50%
Pension dynamics:	2.30%
Fluctuation:	0.00%
Interest rate:	1.83%

Some of the employer-financed pension commitments are offset by reinsurance policies pledged as collateral. These fall under the scope of IDW RH FAB 1.021 and were measured using the liability method in conjunction with the actuarial reserve method.

Pension commitments against salary waivers and lifetime working time accounts are largely offset by congruent reinsurance policies pledged as collateral. Their value therefore corresponds to the fair value of the assets in accordance with Section 253 (1) HGB.

In accordance with Section 253 HGB, **tax provisions** and **other provisions are** recognized at the settlement amount required according to prudent business judgment and, if the term of the other provisions is more than one year, discounted. The respective interest rate was extrapolated to the end of the year based on the average interest rate of the last seven years published by the Bundesbank for October 2023.

The provisions for anniversaries and for non-pension-related retirement benefits included in other provisions were measured using the projected unit credit method (PUC method), in conjunction with Section 253 (1) HGB based on the 2018 G Heubeck-Richttafeln-GmbH mortality tables, Cologne. Future developments and trends were taken into account. Discounting was based on the average market interest rate of the last seven years published by the Deutsche Bundesbank for October 2023 with an assumed remaining term of 15 years. The interest rate was extrapolated to the end of the year and amounted to 1.76%.

Other liabilities were recognized at the settlement amount. Collateral from bilaterally collateralized OTC derivatives was reported under other liabilities.

In principle, all transactions recorded in the original currency are **translated** at the respective daily rate (average spot exchange rate).

The items listed under Assets A. Investments I. to III. and the other assets and liabilities recorded in foreign currency, were subsequently valued at the mean spot exchange rate on the balance sheet date. Pending gains on forward exchange, transactions were recognized in the income statement in the financial year. The average spot exchange rate at the time of the cash flow was used as the basis for translating income and expenses from investments. Other income and expenses were translated at the average spot exchange rate at the time of acquisition.

Exchange rate gains and losses within the same currency were netted.

List of shareholdings

A. II. 1. Shares in affiliated companies

Name of company and registered office	Share in capital in %	Currency	Fiscal year	Shareholders' equity	Result
Insurance companies					
Assimoco S.p.A., Mailand	69.1	EUR	2022	278,097,851	17,329,884
Assimoco Vita S.p.A., Mailand	86.7	EUR	2022	302,151,497	17,131,261
CHEMIE Pensionsfonds AG, Wiesbaden	100.0	EUR	2023	32,817,843	1,000,000
Condor Allgemeine Versicherungs-AG, Hamburg	100.0	EUR	2023	41,761,661	1)
Condor Lebensversicherungs-AG, Hamburg	95.0	EUR	2023	51,742,466	1)
KRAVAG-ALLGEMEINE Versicherungs-AG, Hamburg	100.0	EUR	2023	92,950,678	18,835,213
KRAVAG-LOGISTIC Versicherungs-AG, Hamburg	51.0	EUR	2023	235,162,951	-20,316,728
R+V Allgemeine Versicherung AG, Wiesbaden	95.0	EUR	2023	1,024,175,013	1)
R+V Direktversicherung AG, Wiesbaden	100.0	EUR	2023	13,320,000	1)
R+V Krankenversicherung AG, Wiesbaden	100.0	EUR	2023	177,485,231	24,000,000
R+V Lebensversicherung AG, Wiesbaden	100.0	EUR	2023	1,206,932,924	1)
R+V Pensionsfonds AG, Wiesbaden	100.0	EUR	2023	39,803,166	1,000,000
R+V Pensionskasse AG, Wiesbaden	100.0	EUR	2023	123,578,238	-13,900,000
Service, holding and real estate companies					
Aufbau und Handelsgesellschaft mbH, Stuttgart	94.9	EUR	2022	525,138	1)
BWG Baugesellschaft Württembergischer Genossenschaften mbH, Stuttgart	94.8	EUR	2022	9,965,213	1)
carexpert Kfz-Sachverständigen GmbH, Mainz	60.0	EUR	2023	1,834,933	442,505
CI CONDOR Immobilien GmbH, Hamburg	100.0	EUR	2023	20,100,000	1)
compertis Beratungsgesellschaft für betriebliches Vorsorgemanagement mbH, Wiesbaden	100.0	EUR	2023	3,457,594	1,113,000
Condor Dienstleistungs-GmbH, Hamburg	100.0	EUR	2023	618,785	43,081
easymize GmbH, Wiesbaden	100.0	EUR	2023	269,654	1,707,083
Englische Strasse 5 GmbH, Wiesbaden	90.0	EUR	2022	15,408,362	548,113

1) A profit and loss transfer agreement exists.

A. II. 1. Shares in affiliated companies

Name of company and registered office	Shares in capital in %	Currency	Fiscal year	Shareholders' equity	Result
Fischer Privatkunden Makler GmbH, Nagold	90.0	EUR	2022	162,412	134,760
GWG 1. Wohn GmbH & Co KG, Stuttgart	100.0	EUR	2022	2,000,000	1,126,510
GWG 2. Wohn GmbH & Co KG, Stuttgart	100.0	EUR	2022	3,000,000	600,666
GWG 3. Wohn GmbH & Co KG, Stuttgart	100.0	EUR	2022	7,000,000	1,619,184
GWG 4th Wohn GmbH & Co KG, Stuttgart	100.0	EUR	2022	9,000,000	1,496,925
GWG Beteiligungsgesellschaft mbH, Stuttgart	100.0	EUR	2022	30,186	731
GWG Gesellschaft für Wohnungs- und Gewerbebau Baden-Württemberg AG, Stuttgart	91.6	EUR	2022	387,324,313	15,068,311
GWG Hausbau GmbH, Stuttgart	94.5	EUR	2022	2,750,000	1)
GWG ImmoInvest GmbH, Stuttgart	94.9	EUR	2022	12,921,464	658,606
GWG Wohnpark Sendling GmbH, Stuttgart	94.0	EUR	2022	4,027,500	1)
HumanProtect Consulting GmbH, Köln	100.0	EUR	2022	585,763	102,241
INFINDO Development GmbH, Wiesbaden	100.0	EUR	2022	92,076,036	1,656,766
KRAVAG Umweltschutz und Sicherheitstechnik GmbH (KUSS), Hamburg	100.0	EUR	2023	441,011	11,469
MIRADOR Development GmbH, Wiesbaden	100.0	EUR	2022	108,924,894	1,658,871
MSU Management-, Service- und Unternehmens-beratung GmbH, Landau	60.0	EUR	2022	967,023	101,888
PASCON GmbH, Wiesbaden	100.0	EUR	2023	48,470	2,941
Pension Consult Beratungsgesellschaft für Altersvorsorge mbH, Wiesbaden	100.0	EUR	2023	957,783	68,442
R+V AIFM S.à.r.l., Luxemburg	100.0	EUR	2022	1,702,552	698,661
R+V Dienstleistungs-GmbH, Wiesbaden	100.0	EUR	2023	780,552	65,023
R+V INTERNATIONAL BUSINESS SERVICES Ltd, Dublin 2)	100.0	EUR	2017	1,347,091	114,943
R+V KOMPOSIT Holding GmbH, Wiesbaden	100.0	EUR	2023	2,080,862,550	1)
R+V Mannheim P2 GmbH, Wiesbaden	94.0	EUR	2022	57,813,597	2,326,202
R+V Personen Holding GmbH, Wiesbaden	100.0	EUR	2023	1,197,855,458	37,429,124
R+V Rechtsschutz-Schadenregulierungs-GmbH, Wiesbaden	100.0	EUR	2023	363,248	86,006

1) A profit and loss transfer agreement exists.
2) Company in liquidation.

A. II. 1. Shares in affiliated companies

Name of company and registered office	Share in capital in %	Currency	Fiscal year	Shareholders' equity	Result
R+V Service Center GmbH, Wiesbaden	100.0	EUR	2023	2,869,375	1)
R+V Service Holding GmbH, Wiesbaden	100.0	EUR	2023	221,782,633	1)
R+V Treuhand GmbH, Wiesbaden	100.0	EUR	2023	1,178,360	1,017,746
RC II S.à.r.L., Munsbach	90.0	EUR	2022	9,441,262	459,622
RUV Agenturberatungs GmbH, Wiesbaden	100.0	EUR	2022	368,123	100,430
RV AIP S.C.S. SICAV-SIF, Munsbach	100.0	EUR	2022	9,725	-50
RV AIP S.C.S. SICAV-SIF - RV TF Acquisition Financing, Munsbach	98.7	EUR	2022	267,376,938	8,019,010
RV AIP S.C.S. SICAV-SIF - RV TF 2 Infra Debt, Munsbach	97.6	EUR	2022	571,707,809	12,949,905
RV AIP S.C.S. SICAV-SIF - TF 3 Primaries, Munsbach	99.3	EUR	2022	28,139,156	-2,244,066
RV AIP S.C.S. SICAV-SIF - TF 4 Secondaries, Munsbach	99.3	EUR	2022	30,291,955	24,647
RV AIP S.C.S. SICAV-SIF - TF 5 Co- Investments, Munsbach	99.3	EUR	2022	82,245,135	-575,313
RV AIP S.C.S. SICAV-SIF - RV TF 6 Infra Debt II, Munsbach	98.4	EUR	2022	257,079,291	4,902,325
RV AIP S.C.S. SICAV-SIF - RV TF 7 Private Equity, Munsbach	99.0	EUR	2022	69,512,656	-1,418,035
RV AIP S.C.S. SICAV-SIF - RV TF 8 Acquisition Financing Large Cap, Munsbach2)	99.0	EUR			
RV Securitisation I S.à.r.l., Senningerberg	100.0	EUR	2023	12,000	-
RVL Grundstücks GmbH & Co KG, Frankfurt am Main	100.0	EUR	2022	393,009,850	-13,750
RVL Grundstücksverwaltung GmbH, Wiesbaden	100.0	EUR	2022	23,500	-1,500
Sprint Italia S.r.l., Bolzano	51.0	EUR	2022	-74,777	-335,527
Sprint Sanierung GmbH, Köln	100.0	EUR	2022	20,587,779	-6,166,501
STARTRAIFF GmbH3)	100.0	EUR	2023	1,642,974	-1,438,380
TeamBank AG, Nürnberg	0.0	EUR	2022	539,699,475	1)
UMB Unternehmens-Managementberatungs GmbH, Wiesbaden	100.0	EUR	2023	6,026,429	2,273,099
Unterstützungskasse der Condor Versicherungs-gesellschaften GmbH, Hamburg	100.0	EUR	2023	26,076	-
VR GbR, Frankfurt am Main	41.2	EUR	2022	205,107,024	60,139,513
VR Makler GmbH, Hannover	100.0	EUR	2022	405,927	-1,221,222
WBS Wohnwirtschaftliche Baubetreuungs- und Servicegesellschaft mbH, Stuttgart	94.9	EUR	2022	26,307,936	2,430,248

1) A profit and loss transfer agreement exists.
2) New formation of subsidiary. No current business figures are available.
3) Change of name (formerly: COMPLINA GmbH).

A. II. 3. Shareholdings

Name of company and registered office	Share in capital in %	Currency	Fiscal year	Shareholders' equity	Result
ASSICONF S.r.L., Turin	20.0	EUR	2022	91,873	650
assistance partner GmbH & Co. KG, München	5.0	EUR	2022	1,361,635	211,635
BAU + HAUS Management GmbH, Wiesbaden	50.0	EUR	2022	8,589,271	930,216
bbv-Service Versicherungsmakler GmbH, München	25.2	EUR	2022	2,436,464	413,700
Consorzio Caes Italia S.C.S., Mailand	86.2	EUR	2022	424,270	63,010
DI Rathaus Center Pankow Nr. 35 KG, Düren	3.9	EUR	2021	32,334,655	2,297,215
EXTREMUS Versicherungs-Aktiengesellschaft, Köln	5.0	EUR	2022	61,746,066	-1,719,461
Grand Hotel Heiligendamm GmbH & Co. Kommanditgesellschaft, Vettweiß-Disternich[1)]	1.9	EUR	-	-	-
KLAAS MESSTECHNIK GmbH, Seelze	15.4	EUR	2022	37,234	-23,803
Partners Group Global Mezzanine 2007 SICAR, Luxemburg	2.2	EUR	2022	1,558,000	328,000
Protektor Lebensversicherungs-AG, Berlin	5.3	EUR	2022	7,855,773	1,524
R+V Kureck Immobilien GmbH Grundstücksverwaltung Braunschweig, Wiesbaden	50.0	EUR	2022	1,162,561	1,219,397
Schroder Property Services B.V. S.à.r.l., Senningerberg	30.0	EUR	2022	281,639	-28,375
Teko - Technisches Kontor für Versicherungen Gesellschaft mit beschränkter Haftung, Düsseldorf	10.0	EUR	2022	144,464	33,738
Trustlog GmbH, Hamburg	50.0	EUR	2022	7,548,970	-2,325,948
Versicherungs-Vermittlungsgesellschaft des Sächsischen Landesbauernverbandes mbH, Dresden	50.0	EUR	2022	217,027	4,158
Versicherungs-Vermittlungsgesellschaft mbH des Bauernverbandes Mecklenburg-Vorpommern e.V. (VVB), Neubrandenburg	50.0	EUR	2022	343,769	63,872
Versicherungs-Vermittlungsgesellschaft mbH des Landesbauernverbandes Sachsen-Anhalt e.V. (VVB), Magdeburg	50.0	EUR	2022	75,460	3,584
VR-NetWorld GmbH, Bonn	6.7	EUR	2022	7,315,745	613,792
VVB Versicherungs-Vermittlungsgesellschaft mbH des Landesbauernverbandes Brandenburg, Teltow	50.0	EUR	2022	33,917	3,683

1) New acquisition. No current business figures are available.

Notes on the balance sheet - Assets

Development of asset items A. I. to III. in the 2023 fiscal year [1)]

	Values previous year Thou. Euro	%	Additions Thou. Euro
A. Capital investments			
A. I. Land, land rights and buildings including buildings on third-party land	3,125	0.0	0
A. II. Capital investments in affiliated companies and shareholdings			
1. Shares in affiliated companies	2.915,839	30.0	85,281
2. Loans to affiliated companies	274,639	2.8	35,051
3. Shareholdings	376	0.0	0
4. Total A. II.	3,190,854	32.9	120,332
A. III. Other capital investments			
1. Stocks, shares or shares in investment funds and other variable interest securities	1,146,459	11.8	57,721
2. Bearer bonds and other fixed-interest securities	4,076,856	42.0	360,949
3. Other loans			
a) Registered bonds	511,536	5.3	50,958
b) Bonded debt receivables and loans	112,374	1.2	5,642
4. Deposits at banks	445,221	4.6	77,826
5. Other capital investments	225,228	2.3	55,364
6. Total A. III.	6,517,675	67.1	608,459
Total A.	**9,711,654**	**100.0**	**728,791**
Total	**9,711.654**		**728,791**

1) Discrepancies in totals are due to rounding
2) thereof currency write ups: 33,581 thousand Euro
3) thereof currency depreciation: 48,618 thousand Euro

Transfers Thou. Euro	Disposals Thou. Euro	Write-ups[2)] Thou. Euro	Depreciation[3)] Thou. Euro	Values for current fiscal year Thou. Euro	%
0	0	0	33	3,092	0.0
0	0	17,674	0	3,018,794	30.1
0	65,613	1,413	3,150	242,340	2.4
0	0	0	0	376	0.0
0	65,613	19,086	3,150	3,261,510	32.6
0	69,515	5,638	22,140	1,118,163	11.2
0	246,268	28,332	30,085	4,189,785	41.8
0	10,184	0	1,514	550,796	5.5
0	392	0	673	116,951	1.2
0	0	3,118	7,413	518,752	5.2
0	18,292	0	7,582	254,718	2.5
0	344,651	37,089	69,407	6,749,165	67.4
0	**410,264**	**56,175**	**72,590**	**10,013,767**	**100.0**
0	**410,264**	**56,175**	**72,590**	**10,013,767**	

A. Capital investments

in thousand Euro				2023
		Book value	Fair value	Reserve
I.	**Land, land rights and buildings including buildings on third-party land**	3,092	12,486	9,394
II.	**Capital investments in affiliated companies and shareholdings**			
	1. Shares in affiliated companies	3,018,794	6,218,936	3,200,142
	2. Loans to affiliated companies	242,340	221,268	-21,072
	3. Shareholdings	376	376	0
III.	**Other capital investments**			
	1. Stocks, shares or shares in investment funds and other variable interest securities	1,118,163	1,074,953	-43,210
	2. Bearer bonds and other fixed-interest securities	4,189,785	3,770,956	-418,829
	3. Other loans			
	a) Registered bonds	550,796	460,988	-89,807
	b) Bonded debt receivables and loans	116,951	105,890	-11,061
	4. Deposits at banks	518,752	519,246	494
	5. Other capital investments	254,718	281,077	26,359
IV.	**Deposits with ceding insurers**	383,715	383,715	0
		10,397,482	**13,049,892**	**2,652,409**

The market prices or redemption prices on the last trading day were generally used to determine the fair values of listed securities. In the case of bonds without regular stock exchange prices, a synthetic market value was determined using the discounted cash flow method or model-based prices from specialized data providers were used.

The fair values of other loans were calculated using the discounted cash flow method, taking into account the remaining term and risk premiums specific to the credit rating.

The fair values for shares in affiliated companies, participating interests and other investments were determined using the net income value formula in accordance with IDW S1 in conjunction with IDW RS HFA 10, or the net asset value was used as a basis.In addition, approximations based on expert estimates were used for a small number of items.

The structured products were valued using recognized financial mathematical methods. A shifted Libor market model was used for this purpose. The valuation parameters used are money market/swap interest rate curves, issuer and risk class-specific credit spreads, volatilities, and correlations for CMS swap rates, as well asspot exchange rates, where applicable.

The market value of the asset-backed securities products (ABS) was determined by Value & Risk Valuation Services GmbH and is based on two main sources of information. Firstly, the transaction data and the data on the collateral deposited, both of which represent the master data of the products and therefore allow qualitative statements to be made about the respective transaction. Secondly, the forecast repayments from which the cash flow of the transactions is derived, and which therefore form the quantitative background for the valuation.

The property was revalued as per December 31, 2023. The standard land value as basis forthe valuation was updated in the 2023 financial year.

Where other valuations have been used, these comply with the provisions of Sections 55 and 56 RechVersV.

In accordance with Section 341b (2) HGB, 5,343.5 million Euro in investments are allocated to fixed assets. Based on the prices as at December 31, 2023, this includes positive valuation reserves of 36.7 million Euro and negative valuation reserves of 498.6 million Euro.

The above table includes shares in foreign limited partnerships in the amount of 254.4 million Euro under items A.III. “Other investments” 1-4, as well as other investments under item A.III.5.

The valuation reserves of the total investments amount to 2,652.4 million Euro, which corresponds to a reserve ratio of 25.5%.

A. Capital investments - Information on financial instruments which are reported at more than their fair value

in thousand Euro		2023
Type	**Book value**	**Fair value**
Shares in affiliated companies [1)]	16,040	15,056
Loans to affiliated companies [2)]	99,974	77,720
Stocks, shares or shares in investment funds and other variable interest securities [3)]	179,173	166,205
Bearer bonds and other fixed-interest securities [4)]	3,769,959	3,340,051
Registered bonds [5)]	413,607	318,155
Bonded debt receivables and loans [6)]	68,792	55,782
Deposits at banks [7)]	95,764	95,753
Other capital investments [1)]	64,481	60,695

[1)] Due to expected company profits, the impairments are not permanent but dependent on market price changes.
[2)] The lower fair value relates to loans, which are expected to show a temporary impairment as a result of their credit rating.
[3)] Due to the existing creditworthiness of the issuers and expected company profits, the impairments are not permanent but dependent on market price changes.
[4)] Due to the existing creditworthiness of the issuers, the impairments are not permanent but dependent on market price changes.
[5)] The lower fair value relates to registered bonds, which are expected to show a temporary impairment as a result of their credit rating.
[6)] The lower fair value relates to bonded debt receivables and loans, which are expected to show a temporary impairment as a result of their credit rating.
[7)] Due to the existing creditworthiness of the borrowers and short residual terms, the impairments are not permanent but dependent on market price changes.

A. Capital investments - Information on derivative financial instruments

in thousand Euro				2023
Type	**Nominal volume**	**Book value**	**Positive fair value**	**Negative fair value**
Interest-related business				
Futures/forward purchases registered certificates	-	-	-	-
Futures/forward purchases bearer bonds [1)]	32,450	-	-	7,521
Currency-related business				
Forward exchange transactions [2)]	581,041	1,781	4,058	2,276

[1)] Futures/forward purchases on bearer bonds are valued based on the discounted cash flow method. The spot rate and the interest rate curve are the valuation parameters for this purpose.
[2)] The valuation of the forward exchange contracts corresponds to the discounted “delta” between the agreed forward rate and the forward rate as at the valuation date.

A. III. Other capital investments - stocks, shares or shares in investment funds

in thousand Euro				2023
Fund type	**Market value**	**Difference between market value/book value**	**Distribution for the fiscal year**	**Omitted non-scheduled depreciation**
Equity funds	66,378	8,023	1,357	-20
Pension funds	104,193	-6,331	697	-6,331
Mixed funds	669,528	-49,139	572	-49,378
	840,099	**-47,447**	**2,626**	**-55,729**

The securities funds have a predominantly European or international focus and are primarily invested in securities.

The investment principle of Section 215 (1) VAG on security is always observed.

Two bond funds held as fixed assets were written down to the sustainable value as an interim value.

In the case of one equity fund, one bond fund, and one mixed fund held as fixed assets, no write-downs were recognized as the impairment was temporary. This was demonstrated based on the sustainable values which were higher than the carrying amounts.

Information on restrictions on the possibility of daily redemption: Unrestricted daily redemption of unit certificates is possible for 100% of the securities funds, which corresponds to 100% of the market value.

C. III. Other assets

51.3 million Euro of the other assets relate to the trust capital deposited as collateral for the technical liabilities of the South African branch.

D. II. Other accruals

in Euro	2023
Expenditure relating to subsequent fiscal years	
Status as at December 31	**510,334.02**

Notes on the balance sheet - liabilities

A. I. Called-up capital

in Euro	2023
The subscribed capital is divided into 14,408,010 no-par value shares (registered shares with restricted transferability).	
Status as at December 31	**374,234,025.97**

The subscribed capital is unchanged compared to December 31, 2022.

There is authorized capital of up to a nominal total of 66.5 million Euro, which can be used until 30 April 2027. can be utilized. After partial use, the authorized capital still amounts to 44.5 million Euro.

In accordance with Sections 21 (2) and 20 (4) AktG, DZ BANK AG has announced that it holds a majority stake in R+V Versicherung AG.

A. II. Capital reserves

in Euro	2023
Status as at December 31	**1,858,352,354.03**

The capital reserve is unchanged compared to December 31, 2022.

A. III. Retained earnings

in Euro	2023
Other retained earnings	
Status as at December 31	**164,666,337.05**

Retained earnings are unchanged compared to December 31, 2022.

C. I. Provisions for pensions and similar obligations

in Euro	2023
Settlement amount	23,922,341.00
Offsettable reinsurance assets (claims from life insurance policies)	13,853,263.00
Status as at December 31	**10,069,078.00**

Discounting the provisions for pensions at the average market interest rate of the last ten years results in a discount rate of average market interest rate of the last seven years, the difference amounted to 198,002.00 Euro.

C. III. Other provisions

in Euro		2023
Holiday/flexi-time credits		3,423,000.00
Working life		-
Provision	10,874,452.89	
Offsettable reinsurance assets (claims from life insurance policies)	10,874,452.89	
Capital investment area		2,626,296.02
Annual financial statements		369,830.57
Storage of business records		730,214.00
Trade association		7,000.00
Personnel costs		11,651,479.00
Anniversaries		4,485,295.00
Other provisions		70,061,861.74
Status as at December 31		**93,354,976.33**

Other provisions mainly relate to risk allocations in connection with various tax risk positions for outstanding assessment periods (62.4 million Euro).

E. Other liabilities

in Euro	2023
Liabilities with a remaining term of more than five years	
Bonds	8,456,480.00
Status as at December 31	**8,456,480.00**

There were no liabilities secured by liens or similar rights.

Notes on the income statement

I. 1. A) Gross premiums written

in Euro	2023	2022
Property and casualty, health and accident insurance	3,762,722,876.31	3,488,375,758.27
Life insurance	23,921,879.18	25,106,666.93
Status as at December 31	**3,786,644,755.49**	**3,513,482,425.20**

I. 2. Technical interest income for own account

in Euro	2023	2022
Status as at December 31	**-644,967.17**	**1,057,479.03**

This relates to deposit interest from the collateral provided to the previous insurers in the amount of the actuarial reserves and the annuity actuarial reserves.

The reinsurers' shares were calculated in accordance with the contractual agreements and deducted accordingly.

I. 4. Expenditure for insurance claims for own account

in Euro	2023	2022
Status as at December 31	**2,707,018,890.03**	**2,552,292,406.34**

The settlement of provisions for outstanding insurance claims carried over from the previous financial year resulted in a gross loss of 154.1 million Euro before subsequent premiums, mainly from the credit/bonds, space, marine, motor, and residential building divisions.

II. 2. Depreciation on capital investments

in Euro	2023	2022
b) Depreciation on capital investments		
Scheduled depreciation	32,995.00	64,545.00
Non-scheduled depreciation in accordance with Section 253 (3) sentence 5 HGB	23,938,861.88	13,225,083.85
Non-scheduled depreciation in accordance with Section 253 (3) sentence 6 HGB	-	542,501.26
Status as at December 31	**23,971,856.88**	**13,832,130.11**

II. 4 Other income

in Euro	2023	2022
Income on services provided	32,938,235.54	44,204,728.65
Other interest income	7,839,686.93	8,288,637.80
Income from liability insurance	3,608,231.54	4,130,175.46
Other income	26,681,624.26	15,840,551.91
Status as at December 31	**71,067,778.27**	**72,464,093.82**

Other income includes exchange rate gains of 22.3 million Euro as at the reporting date.

II. 5. Other expenditure

in Euro	2023	2022
Expenditure on services provided	30,963,463.61	41,887,077.53
Expenditure that affects the company as a whole	44,461,363.05	50,449,962.69
Interest transferred to provisions	996,721.99	696,443.10
Interest to be offset from offsettable assets	-710,193.99	-734,493.10
Expenditure from outsourcing pension provisions	543,798.87	1,593,283.05
Other interest expenditure	9,279,675.77	5,168,606.82
Other expenditure	29,157,776.83	65,545,962.20
Status as at December 31	**114,692,606.13**	**164,606,842.29**

Other expenses include exchange rate losses of 21.0 million Euro as per the reporting date.

Other notes

Supervisory Board

Dr. Cornelius Riese Chairman		Co-Chairman of the Board of Managing Directors of DZ BANK AG Deutsche Zentral-Genossenschaftsbank
Ullrich Birkenstock Deputy Chairman		Chairman of the General Works Council of R+V Allgemeine Versicherung AG, branch office Koblenz
Uwe Abel		Chairman of the Management Board of Mainzer Volksbank eG
Thomas Bertels		Chairman of the General Works Council of R+V Service Center GmbH
Joachim Blank		(In-house) lawyer, Head of the Group Law Department of R+V Versicherung AG
Henning Deneke-Jöhrens		Chairman of the Management Board of Volksbank eG
Josef Frauenlob	from 1.6.2023	Chairman of the Management Board of Volksbank Raiffeisenbank Oberbayern Südost eG
Marion Fricker		Chairwoman of the Works Council of R+V Allgemeine Versicherung AG, Stuttgart branch office
Ansgar Gerdes		Member of the Works Council of R+V Allgemeine Versicherung AG, VH-Betrieb Hamburg
Matthias Hümpfner		Chairman of the Management Board of Volksbank pur eG
Marija Kolak		President of the Federal Association of German Volksbanken and Raiffeisenbanken e.V.
Klaus Krömer		Member of the Management Board of Emsländische Volksbank eG
Dirk Schiweck		Chairman of the Works Council and Member of the General Works Council of R+V Versicherung AG, Wiesbaden head office
Armin Schmidt		Financial services secretary of the ver.di trade union, Wiesbaden district
Michael Speth		Member of the Managing Board of DZ BANK AG Deutsche Zentral-Genossenschaftsbank
Martina Trümner		Lawyer
Rainer Wiederer	until 1.6.2023	Spokesman of the Management Board of Volksbank Raiffeisenbank Würzburg eG

Management Board

Dr. Norbert Rollinger Chairman of the Executive Board
Claudia Andersch
Dr. Klaus Endres
Jens Hasselbächer
Dr. Christoph Lamby
Tillmann Lukosch
Julia Merkel
Marc René Michallet

Personnel expenditure

in Euro	2023	2022
1. Wages and salaries	82,536,457.46	80,150,723.26
2. Social security deductions and expenditure on other benefits	12,025,447.51	11,479,061.38
3. Expenditure on pension provision	6,211,564.74	12,921,116.27
Total expenditure	**100,773,469.71**	**104,550,900.91**

Remuneration of the Management Board and Supervisory Board

The total remuneration of the members of the Executive Board amounted to 9,438,364.00 Euro (2022: 9,872,668.00 Euro).

892,639.00 Euro was paid to former members of the Executive Board and their surviving dependants (2022: 872,727.00 Euro). In 2023, contributions amounting to 4,194,132.92 Euro (2022: 3,862,358.73 Euro) were paid to Versorgungskasse genossenschaftlich orientierter Unternehmen e.V. for members of the Executive Board as part of the outsourcing of pension obligations. 465,318.79 Euro (2022: 472,229.25 Euro) was paid to Versorgungskasse genossenschaftlich orientierter Unternehmen e.V. and 243,485.45 Euro (2022: 358,996.67 Euro) to R+V Pensionsfonds AG for former members of the Executive Board and their surviving dependents.

There is a provision of 13,412,472.00 Euro (2022: 14,386,518.00 Euro) for current pensions and pension entitlements of former members of the Executive Board and their surviving dependents. In addition, obligations for this group of persons of 204,609.00 Euro (2022: 409,218.00 Euro) were not recognized in accordance with Article 67 (1) EGHGB.

389,000.00 Euro was spent on the Supervisory Board in the financial year (2022: 393,810.96 Euro). No amounts requiring disclosure in accordance with Section 285 No. 9c HGB were recorded in the financial year.

Headcount

In the 2023 financial year, R+V Versicherung AG employed an average of 899 (2022: 885) employees exclusively in the back office.

Related party disclosures

No transactions within the meaning of Section 285 No. 21 HGB were conducted with related parties in the reporting period.

Auditor's fees and services

The following fees were recorded as expenditure (net) in the fiscal year:

in Euro	2023
Audit services	1,072,104.00
Other certification services	96,057.00
Total expenditure	**1,168,161.00**

The auditors of R+V Versicherung AG are PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft.

In addition to the audits of the annual and consolidated financial statements and the management and Group management report and the audit of the Group reporting package prepared in accordance with International Financial Reporting Standards (IFRS) and the audit of the solvency overview at individual and Group level as of December 31, 2023, the audit firm provided further approved services for R+V Versicherung AG. The other assurance services mainly relate to the performance of agreed-upon investigative procedures by the auditor. These procedures function in connection with key figures on remuneration systems and assurance services in the amount of 88,056.56 Euro by PricewaterhouseCoopers (South African Branch), as part of the reporting system of the South African branch.

Information on contingent liabilities and other financial obligations

On the reporting date the following contingent liabilities arose from contracts concluded and memberships in accordance with Section 251 HGB and other financial obligations in accordance with Section 285 No. 3a HGB:

in Euro	Details concerning amount	Thereof due to affiliated companies	Risks	Advantages
1. Letters of Credit	680,852,081.27	2,172,144.18	The guarantees can be used if payment obligations to cedents are not met.	Bank guarantees were used to provide collateral for technical liabilities so that business can be conducted in foreign markets.
2. Supplementary payment obligations	171,070,669.89	61,118,800.00	There is an obligation to pay. No influence on the time of the claim is possible. There is a risk that the shareholding will fall in value in the mean-time.	No increase in reported capital investments as long as this is not paid out. Liquidity benefits arise from non-payment that can be used for a capital investment with better interest yield, if applicable.
3. Letters of comfort				
a)	19,900,000.00	19,900,000.00	Utilisation possible at any time. There is no reported current value upon utilisation.	Better credit procurement possibilities for a borrowing company within the R+V consolidated group with low probability of occurrence for the patron.
b)	80,000,000.00	0.00	Utilisation possible at any time. There is no reported current value upon utilisation.	Enabling a strategic partnership of a company within the R+V Group with a low probability of occurrence for the patron.
4. Put options from multi-tranches Remaining term > 1 year	164,000,000.00	37,500,000.00	Outflow of liquidity. Opportunity costs are incurred due to the low interest rate and an issuer risk.	Higher coupon of underlying asset.
5. Blocked deposit	716,138,709.66	17,550,203.02	Outflow of liquidity. Opportunity costs are incurred due to the low interest rate.	Investments were blocked in separate deposit accounts in favour of cedents.
6. Liabilities from pending transactions	53,550,061.48	42,450,000.00	Opportunity costs due to low interest rate; counterparty risk and issuer risk.	Compensation for liquidity fluctuations during the course of the fiscal year and avoiding of market disturbances with high investment requirements.
7. Amount of liability	5,000.00	0.00	No increase in balance sheet capital investments on recourse. There is no reported current value for the liability total.	Increase in liable shareholders' equity at cooperative companies, low probability of occurrence through deposit guarantee funds.
8. Original stock loan	14,995,182.30	0.00	There is an obligation to pay. No influence on the time of the claim is possible. There is a risk that the security will fall in value in the mean-time.	Interest and redemption claims.
Total amount	**1,900,511,704.60**	**180,691,147.20**		

Based on past experience and the knowledge gained in the past financial year up to the date of preparation of the annual financial statements, it is unlikely that the contingent liabilities pursuant to Section 251 HGB will be utilized.

There were no other financial obligations to associated companies.

Information on the identity of the company and the consolidated financial statements

R+V Versicherung AG, with its registered office in Wiesbaden and its business address at Raiffeisenplatz 1, 65189 Wiesbaden, is registered at Wiesbaden Local Court under HRB 7934.

R+V Versicherung AG prepares consolidated financial statements in accordance with IFRS. These are published in the company register.

The consolidated financial statements of R+V Versicherung AG are included as a subgroup in the superordinate consolidated financial statements of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Mainz. These are published in the company register.

Information on global minimum taxation (Pillar 2)

R+V Versicherung AG is part of the DZ BANK Group. In certain jurisdictions in which the DZ BANK Group operates, laws on global minimum taxation (BEPS 2.0 Pillar 2) have been enacted or implemented. In Germany, implementation is taking place as part of the Act Implementing Council Directive (EU) 2022/2523 to ensure global minimum taxation and other accompanying measures. The Act was published in the Federal Law Gazette on December 27, 2023. The law comes into force for the Group's financial year beginning on January 1, 2024. The Group falls within the scope of the enacted or substantively enacted legislation and has carried out an assessment of the Group's potential exposure to global minimum taxation.

R+V Versicherung AG is part of the minimum tax group pursuant to Section 3 (1) of the German Minimum Tax Act (MinStG) with DZ BANK AG as the ultimate parent company and group parent. The group parent is liable for the minimum tax under the Minimum Tax Act, and must submit the minimum tax report and the corresponding tax return in Germany. From a group perspective, the DZ BANK Group expects the income tax risk from global minimum taxation to be insignificant.

Supplementary report

There were no significant events after the end of the financial year.

Wiesbaden, March 4, 2024

The Executive Board

Dr. Rollinger	Andersch	Dr. Endres
Hasselbächer	Dr. Lamby	Lukosch
Merkel	Michallet	

Independent auditor's report

To R+V VERSICHERUNG AG, Wiesbaden

Report on the Audit of the Annual Financial Statements and the Management Report

Audit Opinions

We have audited the annual financial statements of R+V VERSICHERUNG AG, Wiesbaden, which comprise the balance sheet as at December 31, 2023, and the statement of profit and loss for the financial year from January 1 to December 31, 2023, and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of R+V VERSICHERUNG AG for the financial year from January 1 to December 31, 2023. In accordance with the German legal requirements, we have not audited the content of those parts of the management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at December 31, 2023 and of its financial performance for the financial year from January 1 to December 31, 2023 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the management report does not cover the content of those parts of the management report listed in the "Other information" section of our auditor's report.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

1. **Measurement of investments**

2. **Measurement of the partial loss provisions for known and unknown claims contained in the gross provisions for outstanding claims in the property-casualty business**

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue

② Audit approach and findings

③ Reference to further information

Hereinafter we present the key audit matters:

❶ Measurement of investments

① In the Company's annual financial statements investments amounting to EUR 10,397.5 million (92.6 % of total assets) are reported in the balance sheet. The individual investments are measured in accordance with German commercial law at the lower of cost and fair value.

Pursuant to § 341b Abs. 2 Satz 1 HGB, certain investments held by insurance undertakings that are intended to serve the business on a permanent basis may be measured in accordance with the provisions applicable to fixed assets. In this case, the carrying amounts of assets are only written down to their lower fair value if impairment is expected to be permanent (less strict principle of lower of cost or market value), and impairment losses that are merely temporary are carried forward to subsequent periods as hidden liabilities. Determining that investments are intended to serve the business on a permanent basis presupposes the intention and ability to hold them permanently. The market price of the respective investment – if available – is used for the purpose of determining the fair value.

Investments that are not measured on the basis of stock exchange prices or other market prices (e.g. land, land rights and buildings, including buildings on third-party land, unlisted equity investments, registered bonds and promissory note loan receivables and loans) are associated with increased risk regarding measurement due to the necessity of using model-based calculations. The executive directors are required to exercise judgment and make estimates and assumptions in this context, including with respect to the possible effects of changes in interest rates on the measurement of investments. Minor changes to those assumptions or to the methods used may have a material impact on the measurement of investments.

Due to the material significance of the amounts of the investments for the assets, liabilities and financial performance of the Company, the extent of hidden liabilities carried forward in application of the less strict principle of lower of cost or market value, and the scope for judgment on the part of the executive directors and the associated uncertainties in the estimations made, the measurement of investments was of particular significance in the context of our audit.

② Given the significance of investments for the Company's overall business, as part of our audit we assessed the assumptions made by the executive directors and the models used by the Company together with our internal specialists for investments. Thereby, we based our assessment on our valuation expertise with regard to investments, and our industry expertise and experience, among other things. In addition, we evaluated the design and effectiveness of the controls established by the Company for the purpose of measuring investments and recording the earnings from investments. On that basis, we carried out additional analytical audit procedures and tests of details relating to the measurement of investments. In this context, we also assessed the executive directors' assessment as to the impact of changes in interest rates on the measurement of investments. Among other things, we also examined the underlying amounts recorded and their recoverability on the basis of the documentation made available, and we evaluated the consistent application of the measurement methods and the allocation of amounts to the correct periods. With respect to the assessment of hidden liabilities, we examined the extent to which the requirement for intention and ability to hold the investments permanently was met, and the extent to which impairment was not permanent. Furthermore, we assessed the work of experts (including the measurement parameters used and the assumptions made) used by the executive directors to measure the investments, in particular structured financial instruments collateralized by debt claims.

Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors for the purpose of measuring the investments are substantiated and sufficiently documented.

③ The Company's disclosures relating to investments are contained in the sections "Accounting policies" and "Investments" of the notes to the financial statements.

Risk disclosures can be found in the "Market risk" section of the opportunities and risk report, which is part of the Company's management report.

❷ Measurement of the partial loss provisions for known and unknown claims contained in the gross provisions for outstanding claims in the property-casualty business

① In the Company's annual financial statements a gross provision for outstanding claims (referred to as "gross claims provisions") amounting to EUR 6,617.4 million (58.9 % of total assets) is reported under the "Technical provisions" balance sheet item. The gross claims provisions are broken down into a variety of partial claims provisions. The provisions for known and unknown claims relate to a material portion of the gross claims provisions.

Insurance companies are required to recognize claims provisions to the extent necessary in accordance with prudent business judgment to ensure that they can meet their obligations from insurance contracts on a long-term basis. Defining assumptions for the purpose of measuring the claims provisions requires the Company's executive directors, in addition to complying with the requirements of commercial and regulatory law, to make estimates of future events and to apply appropriate measurement methods. This also includes the expected impact of increased inflation rates on the recognition of the claims provisions in the lines of business concerned. The methods used to determine the amount of the claims provisions and the calculation parameters are based on judgments and assumptions made by the executive directors. Minor changes to those assumptions or to the methods used may have a material impact on the measurement of the claims provisions.

Due to the material significance of the amounts of these provisions for the assets, liabilities and financial performance of the Company, the complexity of the applicable requirements and the underlying methods as well as the scope for judgment on the part of the executive directors and the associated uncertainties in the estimations made, the measurement of the provisions for known and unknown claims was of particular significance in the context of our audit.

② Given the significance of the provisions for known and unknown claims for the Company's overall business, as part of our audit we assessed the assumptions made by the executive directors and the methods used by the Company together with our internal actuaries. Thereby, we based our assessment on our industry expertise and experience, among other things, and considered recognized methods. We also evaluated the design and effectiveness of the controls established by the Company for the purpose of calculating and recording claims provisions. On that basis, we carried out additional analytical audit procedures and tests of details relating to the measurement of the provisions for known and unknown claims. Therewith, we assessed the results of the Company's calculations of the amount of the provisions with reference to the applicable legal requirements and evaluated the consistent application of the measurement methods and the allocation of amounts to the correct periods. In this context, we also assessed the executive directors' assessment as to the impact of increased inflation rates on the overall business and the lines of business concerned.

Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors for the purpose of measuring the provisions for known and unknown claims are substantiated and sufficiently documented.

③ The Company's disclosures relating to gross claims provisions are contained in the section "Accounting Policies" of the notes to the financial statements. Risk disclosures can be found in the "Underwriting risk" section of the opportunities and risk report, which is part of the Company's management report.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the management report:

› the statement on corporate governance pursuant to § 289f Abs. 4 HGB included in the section "Corporate Governance Statement" of the management report (disclosures on the proportion of women)
› the section "Sustainability Report" of the management report

The other information comprises further all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited annual financial statements, the audited management report and our auditor's report.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on June 1, 2023. We were engaged by the supervisory board on October 4, 2023. We have been the auditor of R+V VERSICHERUNG AG, Wiesbaden, without interruption since financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Marcel Rehm.

Frankfurt am Main, March 15, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Marcel Rehm	Sandro Trischmann
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Report of the Supervisory Board of R+V Versicherung AG

Economic development in 2023 was dominated by the consequences of persistently high inflation and the central banks' restrictive monetary policy. Although inflation fell after peaking in autumn of 2022, it was still well above the central banks' target at the end of the year. Economic growth in Germany came to a standstill. In view of the challenging macroeconomic environment and the high level of geopolitical uncertainty worldwide, gross domestic product in Germany fell by 0.3% in 2023. Inflation, as measured by the harmonized consumer price index, fell to 6.0% in the financial year compared to 8.7% in the previous year.

The German insurance industry closed 2023 with a slight increase in premiums - despite challenging economic conditions and global uncertainties. As announced by the German Insurance Association (GDV) at its annual media conference at the end of January 2024, premium income across all sectors rose by 0.6% to 224.7 billion Euro, primarily due to growth in property and accident insurance and private health insurance.

The Supervisory Board has taken the general economic conditions in 2023 into account in its work.

Supervisory Board and committees

To fulfill its duties, the Supervisory Board has formed an Audit Committee, a Personnel Committee, and a Mediation Committee.

The Supervisory Board and its committees continuously monitored and advised the Executive Board's management of the company in accordance with legal requirements and the provisions of the Articles of Association and decided on transactions requiring approval. The monitoring activities of the Supervisory Board and the Audit Committee related especially to the effectiveness of the risk management system, the internal control system, and the internal audit system.

If required, internal information events are held for Supervisory Board members on the topics of legal issues relating to Supervisory Board activities, underwriting, investments, accounting for insurance groups and risk management.

Cooperation with the Executive Board

The Management Board provided the Supervisory Board with regular, timely and comprehensive written and verbal reports on the situation and development of R+V Versicherung AG. This took place in the Supervisory Board and committee meetings, as well as through quarterly written reports from the Board of Directors. The Supervisory Board was regularly informed in detail by the Executive Board about the course of business and the risk situation, including the economic and regulatory risk-bearing capacity of R+V Versicherung AG and the R+V Group. In addition, the Executive Board reported to the Supervisory Board on the risk strategy and the risk management system.

The Supervisory Board discussed the aforementioned issues with the Management Board, advised the Management Board and monitored its management of the company. In doing so, the Supervisory Board dealt intensively with the regulatory framework. The Supervisory Board was always involved in decisions of fundamental importance and in transactions requiring its approval.

In addition, the Chairman of the Management Board discussed key decisions and significant business developments with the Chairman of the Supervisory Board in advance outside of the meetings.

Meetings of the Supervisory Board and its committees

The Supervisory Board held four meetings in the 2023 financial year, on March 24, June 1, September 8 and December 8, 2023. In addition, meetings of the Audit Committee were held on March 15, 2023, and of the Personnel Committee on March 15, 2023, and December 1, 2023. At the meetings, the Supervisory Board and the committees received and discussed oral and written reports from the Management Board.

Resolutions by way of circulation were passed by the Supervisory Board in two cases and by the Audit Committee in one case.

Discussions in the Supervisory Board and the committees

As part of its activities, the Supervisory Board dealt in detail with the economic situation of R+V Versicherung AG and the R+V Group, corporate planning and prospects as well as key financial figures. Discussions focused on the business development of the three segments of life and health insurance, property and accident insurance and active reinsurance. In this context, the Supervisory Board dealt comprehensively with the difficult economic conditions caused by the wars in Ukraine and the Gaza Strip, high inflation, and the sharp rise in key interest rates as well as declining consumption. This included the effects on premium, claims and production development, investments, the earnings position, and the measures taken to control costs.

In property and accident insurance, the Supervisory Board dealt with premium development in the individual insurance lines, claims development, the combined ratio, and the effects of inflation. In this context, the Supervisory Board discussed reinsurance costs, claims provisions, premium adjustments, and corporate and product development measures in addition to the burden of natural disasters. The Supervisory Board also dealt with the development of a new portfolio management and claims system. Regarding life and health insurance, the Supervisory Board dealt with the development of new business in the individual business areas, single premiums, and regular premiums, as well as profit participation. Furthermore, the Supervisory Board dealt with measures to increase profitability in personal insurance. This included liquidity management, sales optimization measures and the alignment of the product portfolio to strengthen the new business of biometric products, unit-linked products, products with new guarantees, traditional products, company pension schemes, residual credit insurance, and health insurance. In addition, the Supervisory Board dealt with measures for further digitalization and customer centricity, the introduction of a new portfolio management system and the legal framework for life insurance. About active reinsurance, the Supervisory Board dealt with business development, the status of portfolio management and the profitability-oriented restructuring of the portfolio.

The Supervisory Board dealt with the HGB result and the IFRS consolidated result of R+V Versicherung AG as well as the development of the company's equity and solvency ratio. In connection with the investments, the Supervisory Board discussed the macroeconomic environment and the effects of the rise in interest rates and high inflation on the investment result, asset allocation and strategic capital management. The Supervisory Board considered investments, the development of costs, and tax expenses. The Supervisory Board implemented the progress report on the WIR@R+V strategy, which included the achievement of key figures and the measures to shape the transformation and further digitalization. In addition, the Supervisory Board devised the company's remuneration systems and HR initiatives and measures. The Supervisory Board also discussed the status of the expansion of the Assimoco Group's business in Italy regarding international activities.

In connection with Management Board matters, the Supervisory Board determined the variable remuneration of the Management Board for the 2022 financial year, the payment conditions for the delayed payment of the variable remuneration of the Management Board members from the 2019 financial year, as well as the reappointment of a member of the Management Board. The Supervisory Board resolved changes to the company pension scheme for newly appointed members of the Board of Management, the conditions of the remuneration of the Board of Management and the governance guideline "Remuneration for the Board of Management of R+V Versicherung AG" (Solo Guideline).

In connection with Supervisory Board matters, the Supervisory Board submitted all necessary resolution proposals to the Annual General Meeting. This included the amendment of the Articles of Association regarding simplifying regulations for holding Annual General Meetings following the expiry of the statutory provisions introduced as part of the coronavirus pandemic. It also included the appointment of the auditor for the 2023 annual financial statements and the 2023 consolidated financial statements, as well as the re-election and election of new members to the Supervisory Board. The Supervisory Board ahandled transactions requiring approval and reporting. This included the approval of R+V Versicherung AG's participation in a cash and non-cash capital increase at Assimoco S.p.A., and the acquisition of a stake in a company providing brokerage services. It also included the elimination of the investment in Condor Allgemeine Versicherungs-AG. This resulted from the planned merger with R+V Allgemeine Versicherung AG in 2024 following an alignment of the shareholding structure of the legal entities to be merged. The Supervisory Board dealt with the transfer of registered shares and two changes to the Management Board's schedule of responsibilities resolved by the Management Board. Furthermore, following the re-election by the Annual General Meeting of two Supervisory Board members whose terms of office were due to expire, the Supervisory Board re-elected two members of the Personnel Committee and one member of the Mediation Committee, discussed the most important audit matters agreed with the auditor, and managed the necessary self-evaluation and the preparation of a development plan. The Supervisory Board also commissioned the auditor appointed by the Annual General Meeting.

The Audit Committee dealt with the preliminary audit of the annual financial statements of R+V Versicherung AG and the R+V Group for the 2022 financial year, the explanation of the business performance in a multi-year comparison, the auditor's report and the focal points of the audit, the regulatory reporting of the Solvency II key functions (risk management function, actuarial function, compliance function and audit function), the engagement of the auditor with non-audit services, and the preparation of the appointment of the auditor for the 2023 financial year. The Audit Committee submitted resolution proposals to the Supervisory Board for the approval of the annual financial statements of R+V Versicherung AG and the R+V Group for the 2022 financial year, and for the appointment of the auditor for the 2023 financial year. The Audit Committee amended the guidelines for the engagement of the auditor for non-audit services from 2024. In addition, the Audit Committee assessed the quality of the auditor based on the Audit Committee's guidelines for monitoring the quality of the audit.

The Personnel Committee submitted the necessary resolution proposals to the Supervisory Board in connection with Management Board matters. This included the determination of the variable remuneration of the members of the Board of Management for the 2022 financial year, in accordance with target achievement and the determination of the payment of the deferred portions of the variable remuneration of the members of the Board of Management for the 2019 financial year. It also included the amendment of the company pension scheme for newly-appointed members of the Board of Management, a related amendment to the governance guideline "Remuneration for the Board of Management of R+V Versicherung AG" (Solo Guideline) and the amendment of the conditions of the remuneration of the Board of Management. The Personnel Committee dealt with the status of the target achievement of the members of the Board of Management in the 2023 financial year, and the setting of targets for the variable remuneration of the members of the Board of Management for the 2024 financial year. In addition, the Personnel Committee submitted a resolution proposal to the Supervisory Board for the reappointment of a member of the Management Board and discussed the organization of the Management Board departments.

The Mediation Committee did not have to become active in accordance with the provisions of co-determination law.

Cooperation with the auditor

The Supervisory Board and the Audit Committee selected the auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft appointed by the Annual General Meeting in accordance with statutory requirements. The Supervisory Board and the Audit Committee continuously monitored the independence and audit quality of the auditor.

The auditor found the annual financial statements of R+V Versicherung AG, including the accounting and the management report of R+V Versicherung AG, as well as the consolidated financial statements, and the Group management report for the 2023 financial year submitted by the Executive Board, to be in accordance with the statutory provisions. The auditor issued an unqualified audit opinion in each case. The audit reports were then submitted to the members of the Supervisory Board. In a meeting on March 22, 2024, the audit reports were discussed and deliberated in detail The Supervisory Board approved the result of the audit by the auditor.

Adoption of the annual financial statements

The Audit Committee and the Supervisory Board examined the annual financial statements and the management report as well as the consolidated financial statements and the Group management report for the 2023 financial year in detail.

The representatives of the auditor attended both the Audit Committee meeting on March 18, 2024, and the Supervisory Board meeting on March 22, 2024, to report on the key audit findings. The audit report of the auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, was available for this purpose. The auditor issued an unqualified audit opinion. The annual financial statements, the management report, the consolidated financial statements, and the Group management report, the respective audit reports, and the focal points of the audit, namely the valuation of the investments, were discussed. The audit of the valuation of the technical provisions, in particular the provisions for known and unknown insurance claims, and the audit of the risk early warning system in accordance with Section 91 (2) AktG and the annual report of the Group auditors were reviewed. The auditor's representatives were available to the members of the committee and the Supervisory Board for additional explanations. The

Chairman of the Audit Committee informed the Supervisory Board in detail about the committee's deliberations.

The Supervisory Board raised no objections to the annual financial statements, the management report, the consolidated financial statements, and the Group management report for the 2023 financial year, which was prepared by the Management Board, and concurred with the auditor's findings.

The annual financial statements for the 2023 financial year presented by the Executive Board were approved by the Supervisory Board at its meeting on March 22, 2024, in accordance with the recommendation of the Audit Committee. The annual financial statements are thus adopted in accordance with Section 172 AktG. At the same meeting, the consolidated financial statements submitted by the Executive Board were approved by the Supervisory Board.

Changes in the Management Board

Mr. Jens Hasselbächer's term as member of the Executive Board expired by rotation with effect from the end of March 31, 2023. At its meeting on May 19, 2022, the Supervisory Board reappointed Mr. Hasselbächer to the Executive Board with effect from April 1, 2023 for a five-year term of office, namely until the end of March 31, 2028.

Mr. Tillmann Lukosch's term as member of the Management Board expired by rotation at the close of 31 May 2023. At its meeting on 7 September 2022, the Supervisory Board reappointed Mr. Lukosch for a five-year term with effect from 1 June 2023, namely until the end of 31 May 2028.

Dr. Christoph Lamby's term as a member of the Executive Board expired by rotationby close of December 31, 2023. At its meeting on March 24, 2023, the Supervisory Board reappointed Dr. Lamby with effect from January 1, 2024, until he reaches the age of 65, i.e. until the end of April 11, 2028.

Changes to the Supervisory Board and the committees

Mr. Henning Deneke-Jöhrens' term of office as a member of the Supervisory Board expired by rotation with effect from the end of the Annual General Meeting on June 1, 2023. The Annual General Meeting re-elected Mr. Deneke-Jöhrens as a shareholder representative to the Supervisory Board, effective by the end of the Annual General Meeting.

The mandates of Ms. Marija Kolak as a member of the Supervisory Board and as a member of the Personnel Committee and the Mediation Committee expired by rotation at the end of the Annual General Meeting on June 1, 2023. The Annual General Meeting re-elected Ms Kolak in her role of shareholder representative as a member of the Supervisory Board. At its meeting on June 1, 2023, the Supervisory Board re-elected Ms Kolak as a member of the Personnel Committee and the Mediation Committee.

The term of office of Mr. Klaus Krömer as a member of the Supervisory Board and as a member of the Personnel Committee expired by rotation at the end of the Annual General Meeting on June 1, 2023. The Annual General Meeting re-elected Mr. Krömer in his role of shareholder representative as a member of the Supervisory Board. At its meeting on June 1, 2023, the Supervisory Board re-elected Mr Krömer as a member of the Personnel Committee.

The mandate of Mr. Rainer Wiederer ended with his resignation at the end of the Annual General Meeting on June 1, 2023. The Annual General Meeting elected Mr. Josef Frauenlob to succeed Mr. Wiederer on the Supervisory Board as shareholder representative.

Thanks to the Board of Directors and employees

The Supervisory Board would like to thank the Executive Board and all employees of the R+V Group for their work in 2023.

Wiesbaden, March 22, 2024

The Supervisory Board

Dr. Riese
Chair

Birkenstock
Deputy Chair

Abel

Bertels

Blank

Deneke-Jöhrens

Frauenlob

Fricker

Gerdes

Hümpfner

Kolak

Krömer

Schiweck

Schmidt

Speth

Trümner

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