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BarmeniaGothaer Group

Annual Report 2025

Weil du wichtig bist.

Key figures

€ thousand		
	2025	**2024**
Gross premiums written	9,245,541	6,300,247
Earned premiums net of reinsurance	8,568,036	5,567,581
Retention ratio (in %)	93.1	88.9
Claims expenses net of reinsurance	6,709,007	4,998,930
Change in other net underwriting reserves	1,452,840	524,023
Underwriting expenses net of reinsurance	1,451,626	1,078,299
Net income for the year	109,179	18,985
Return on equity (in %)	5.4	1.0
Investments	51,065,000	49,454,636
Investment result	1,229,037	944,766
Net return (in %)	2.4	1.9
Underwriting reserves net of reinsurance	48,588,373	47,336,412
Equity	2,069,308	1,990,466
Subordinate liabilities	327,046	427,046
Employees (average number)	8,452	5,661

*Barmenia Krankenversicherung AG, Barmenia Allgemeine Versicherungs-AG, PrismaLife AG and Barmenia Grundstücks GmbH & Co. KG were recognized in the consolidated income statement for 2024 at pro rata temporis values (three months) due to their first-time inclusion. The employees of these companies were also recognized on a pro rata temporis basis. The return on equity and net return on investment for 2024 were calculated on the basis of the 2024 business figures.

The BarmeniaGothaer Group

With around eight million customers and premium income in the region of € 9.2 billion, BarmeniaGothaer is one of the top 10 insurers in Germany. It offers all lines of insurance for private and corporate clients. BarmeniaGothaer also ensures a high quality of personal and digital advice and support to its policyholders in addition to the provision of the insurance products themselves. As a leading partner for small and medium-sized enterprises, the Group offers comprehensive protection against all relevant risks. In addition to a wide range of cover concepts, BarmeniaGothaer supports corporate clients in addressing issues with strategic importance for the future, such as employee retention or the energy transition. Besides traditional insurance policies and pension plans, BarmeniaGothaer provides digital services and a wide range of health services to private customers.

Insuring a better future

Sustainability guides every aspect of our business. It is the principle that shapes how we operate, invest and grow. Our sustainability strategy reflects a clear level of ambition: to position the Group among the leading sustainable insurers in Germany and to align our business model with the 1.5°C target. To achieve this, we apply sustainability criteria to investments, develop insurance products with sustainable elements, measure and reduce the carbon footprint of our business operations, endeavour to achieve net zero emissions and promote social engagement, to a great extent via the BarmeniaGothaer Foundation.

The main drivers of sustainability in our business operations are the risk bearing entities of BarmeniaGothaer, for example, by being market leader in wind turbine insurance, through the integration of sustainable aspects into products and processes and by offering numerous services that contribute to the sustainable transformation of the economy and society.

Our progress is reflected in external recognition: the Group was awarded an AA+ (very good) rating in the Assekurata sustainability rating for insurance groups. This is the best result ever achieved by an insurance group, making BarmeniaGothaer the industry leader. The Assekurata rating involved the analysis of Barmenia Krankenversicherung AG, Gothaer Krankenversicherung AG, Barmenia Allgemeine Versicherungs-AG, Gothaer Allgemeine Versicherung AG and Gothaer Lebensversicherung AG.

To ensure the continuous improvement of sustainability management practices, Gothaer is a signatory of the following and other sustainability-related initiatives: The Group supports the UN Principles for Sustainable Insurance (UNEP FI PSI), is signatory to the UN Principles for Responsible Investment (UN PRI) and the Net Zero Asset Owner Alliance (NZAOA), as well as a member of the B.A.U.M. e.V. sustainable business network.

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The Business Segments

The structure of the BarmeniaGothaer Group provides the framework for a clear-cut business model. Barmenia Versicherungen a.G. and Gothaer Versicherungsbank VVaG are at the top of the BarmeniaGothaer organization.

As a mutual insurance company, BarmeniaGothaer only has obligations towards customers and not towards shareholders. This independence enables it to act continually and sustainably in the interests of the policyholders.

BarmeniaGothaer AG (formerly Barmenia.Gothaer Finanzholding AG) is responsible for the financial coordination of the Group and the preparation of the consolidated financial statements. The operational side of the business is conducted by the risk-bearing entities:

The property and casualty insurance segment

In the property and casualty insurance segment, Barmenia Allgemeine Versicherungs-AG and Gothaer Allgemeine Versicherung AG offer a comprehensive range of property, casualty, liability, accident and motor insurance solutions. As reliable partners to private and corporate clients, they are known for their individual insurance concepts, innovative products and a holistic service experience. The portfolio is complemented by two subsidiaries, composite insurer Janitos Versicherung AG and specialist insurer CG Car-Garantie Versicherungs-AG.

Sustainability also plays a key role in the strategic orientation of the property and casualty business. The sustainability strategy takes a long-term approach, focusing on sustainable products, prevention-oriented services and climate-neutral claims management. It includes developing sustainable property insurance products that are aligned with a net zero target for 2045, enhancing the sustainability maturity of products and expanding prevention services and advisory support on climate adaptation and risk minimization, particularly for industrial clients in high-risk areas.

Gothaer Allgemeine Versicherung AG is the largest risk bearing entity for property and casualty insurance in the BarmeniaGothaer Group. Ever since it was established in 1820, it has ranked among the largest property insurers in the German insurance market. In addition to its flexibly selectable and successful single-line products, Gothaer Allgemeine Versicherung AG's high-performing product portfolio includes combined insurance concepts and multi-risk products for comprehensive all-round protection. With solutions tailored to specific needs, Gothaer Allgemeine Versicherung AG is a reliable partner for both private and corporate clients in the SME and industrial sectors. By being responsive to emerging trends and market developments, Gothaer regularly devises modern, needs-oriented solutions and places them on the market in the form of innovative products.

At the same time, Gothaer Allgemeine Versicherung AG continuously works towards providing simple, digital and automated processes for its customers and insurance agents. Gothaer Allgemeine Versicherung AG is particularly committed to positioning itself as a leading partner for SMEs and thus strengthening its already robust position in this target market. It meets diverse requirements across various sectors with individual risk concepts, outstanding expertise on sector-specific risks and tailored marketing activities.

Barmenia Allgemeine Versicherungs-AG is the second-largest risk bearing entity for property and casualty insurance in the BarmeniaGothaer Group. It commenced operations in 1958 and has a business mix including motor, accident and home insurance, with a particular focus on pet health insurance. Barmenia Allgemeine Versicherungs-AG has tailored its product range to the private client market, yet it also offers insurance products for commercial enterprises. One element of the Company's growth strategy is the continuous improvement and further development of existing products, which is reflected in the innovative product range. This is supported by focussing on the sales channels of exclusive distribution networks, insurance broker sales and digital sales. Barmenia Allgemeine Versicherungs-AG's subsidiary adcuri GmbH is committed to modern, paperless processes that are fast, simple, flexible and reliable. It sells insurance products and manages insurance contracts on behalf of the insurer. The business strategy is geared to digitalization and fully-automated business processes with the aim of achieving high levels of customer satisfaction.

Janitos Versicherung AG is a highly digitalized composite insurer based in Heidelberg selling its products through independent intermediaries such as brokers, broker pools, financial product distributors and comparison platforms. All of the Company's processes and services are oriented to this target group. The focus is on a high degree of automation, swift and customized product development as well as technical interfaces to sales partners in line with the Company's digitalization and sales strategy. A modern IT infrastructure, a custom-fit support model and ceaseless attention to first-class product positioning are the key building blocks of the Janitos Versicherung AG strategy. The product portfolio ranges from motor, bicycle, pet owner and private liability insurance through householders and homeowners insurance to supplemental health, accident insurance and the Multi-Rente disability insurance. The Company is regularly highly rated in product and broker surveys, and it has a solid and sustainable positioning as an established broker brand in Germany and Austria.

With more than 50 years of experience and premium revenues running to around € 350 million a year as well as a market presence in 19 countries, **CG Car-Garantie Versicherungs-AG** ranks among the foremost specialist insurers for guarantee and customer loyalty programmes for new and used vehicles in Europe. More than 40 manufacturers/importers and over 23,000 specialist dealers have confidence in the custom guarantee programmes and high service quality offered by CG Car-Garantie Versicherungs-AG. A focus on stability and long-term relationships pays into the company's reputation as a dependable partner.

The life insurance segment

The life insurance segment represents long-term security, stability and reliable pension concepts. With a clear focus on customer needs, sustainable product design and economic viability, it addresses the challenges of a changing market. Gothaer Lebensversicherung AG, Gothaer Pensionskasse AG and Liechtenstein-based PrismaLife AG each play an independent and strategically important role within this business segment. With their distinct business models, these three companies support the performance of BarmeniaGothaer's life insurance business.

A central element of the business strategy going forward is the consistent integration of sustainability into the product portfolio. For example, funds and indices that take ESG criteria into account are available today for unit- and index-linked products. At the same time, the range of sustainable investment options in the fund lists will be broadened to provide easier access to sustainable investments.

Gothaer Lebensversicherung AG has been a partner for insurance protection, financial planning strategies and investment advice for nearly 200 years. As a result of the merger to form BarmeniaGothaer and the assumption of Barmenia Lebensversicherung a.G.'s business operations and portfolio, Gothaer Lebensversicherung AG has been able to further consolidate its strong market position. It maintains a consistent focus on the strategic business areas of biometrics and capital-efficient products, as well as on company pension schemes. The percentage of new business generated within these fields is steadily increasing. Business with corporate clients has been a special focus area in this segment – both in company pension schemes and collective occupational disability insurance. This has also significantly strengthened the regular-premium business that is so important for life insurers. In the field of biometrics, which is important for the stability of the risk result, Gothaer Lebensversicherung AG has established itself as a provider of workforce insurance with a range of products for different target groups, from infants to working people. In addition to the development of a competitive product range, the Company is committed to continuous process and service optimization. Another area of focus is improving the transparency of products for customers. This applies, first and foremost, to unit-linked product lines and encompasses both new and portfolio business.

Company pension scheme and company employee insurance business have continued to grow in importance, especially in recent years. On the product side, Gothaer Lebensversicherung AG offers attractive pension solutions that are easy to implement for employers of any size. In this particular segment, processes and services need to meet significantly higher requirements in terms of digitalization and automation. Gothaer Lebensversicherung AG has responded to this trend by setting up company pension scheme portals and easy-to-use self-service points.

PrismaLife AG, based in Liechtenstein, is an innovative pension specialist for sustainable asset growth. As Liechtenstein's leading life insurer, the company offers unit-linked pension products tailored to the personal needs of its customers. Customer satisfaction is ensured by a focus on expert advice and maximum transparency with regard to products, remuneration and costs. One of PrismaLife AG's core competencies is its strong commitment to sustainability. In order to offer customers a wide range of options for sustainable investing, the selection of investment funds that take sustainability aspects into account is being systematically expanded. PrismaLife AG has also fully optimized its own investment strategy to bring it into line with sustainability principles.

Gothaer Pensionskasse AG provides employers with dependable solutions for the implementation of occupational pension schemes. These solutions are geared especially towards companies seeking to provide their employees with a secure and flexible pension plan. As a traditional pension fund provider, it manages retirement benefits within the framework of an employment relationship and is responsible for both the administration of contributions and the payment of subsequent pension benefits. Employers can choose between employer-financed pension plans and deferred compensation models. Gothaer Pensionskasse AG also provides companies with digital administration portals that streamline and improve the efficiency of occupational pension processes.

The health insurance segment

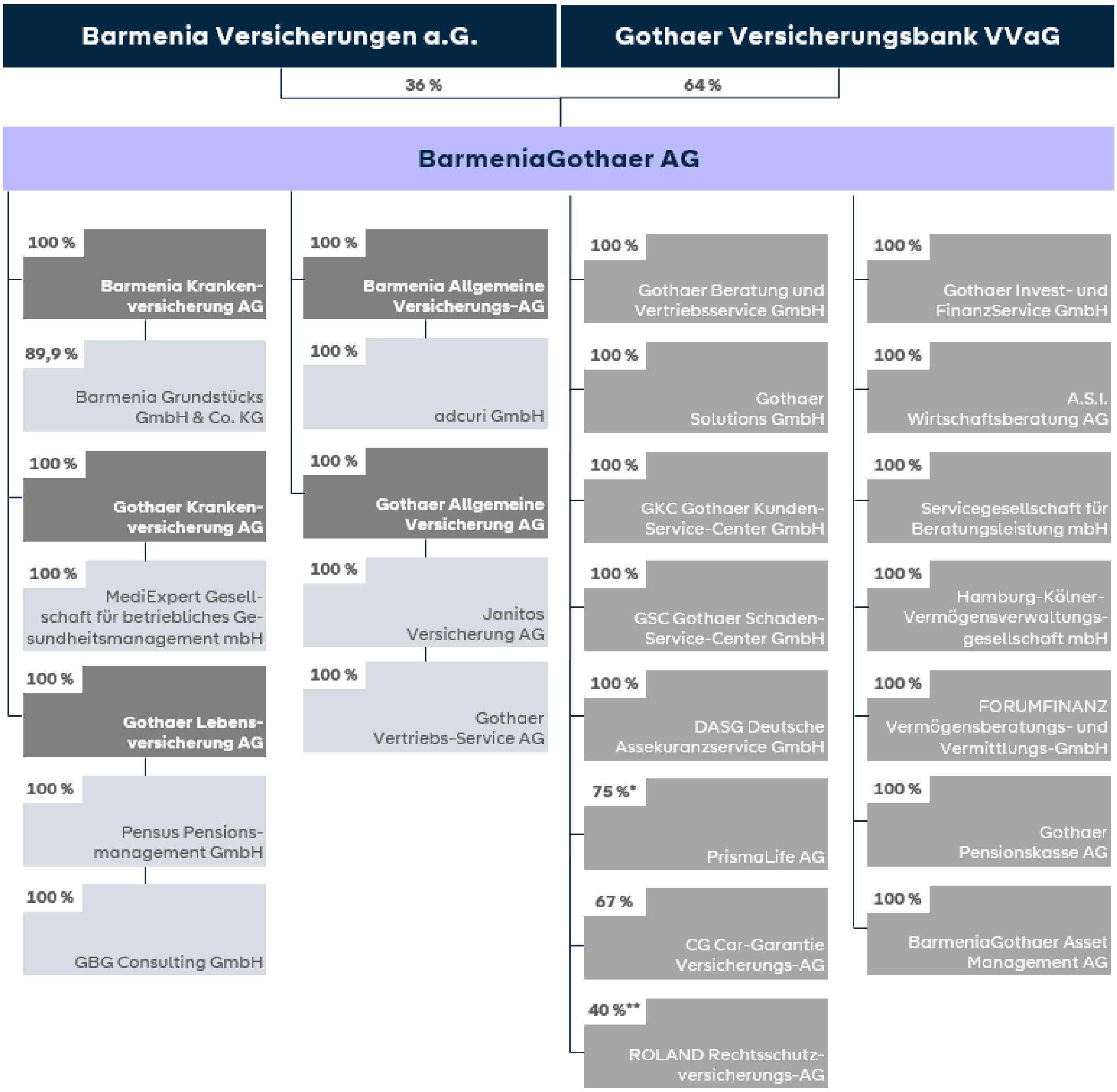
In the health insurance segment, Barmenia Krankenversicherung AG and Gothaer Krankenversicherung AG are leading partners for modern health insurance cover. They cater for the trend towards greater health awareness as well as public demand for healthcare services and continuously develop services that enable access to high-quality, effective care. The top priority in this context is to provide the best possible support to the insured individuals in terms of health protection and convalescence.

To embed sustainability more deeply within its operations, the sustainability maturity of health insurance products will be systematically increased, alongside the active promotion of preventive measures, personalized advice and corporate health programmes.

Barmenia Krankenversicherung AG is the BarmeniaGothaer Groups's largest health insurer. The object of its business is direct and indirect private health insurance. The Company attaches great importance to customer satisfaction and it offers a wide range of services, such as video consultations with doctors, second opinion services and call-back services. The Barmenia app is also a convenient way for customers to digitally manage their insurance matters. The main product in the business mix is comprehensive health insurance. However, customers are also offered supplementary insurance products on top of their statutory health insurance and long-term care insurance. Barmenia Krankenversicherung AG has tailored its product range to the private client market, yet it is also a dependable partner for corporate clients wishing to offer their employees flexible company health insurance plans. Since July 2021 it has been offering an employer-financed and collectively agreed long-term care insurance scheme called CareFlex Chemie to over 580,000 employees in the chemical industry in a consortium with R+V Krankenversicherung AG. It is the first consortium in Germany in the areas of company health insurance and long-term care insurance.

Gothaer Krankenversicherung AG provides reliable health protection across all phases of life with special emphasis on mental health. By cooperating with leading providers in this field, the Company is progressively strengthening its role as a sustainable health service provider. Comprehensive health insurance thus remains a major pillar of business for Gothaer Krankenversicherung AG because, with an eye on the future, it is the only insurance that guarantees a stable level of health protection benefits. At the same time, the financial challenges facing the German healthcare system are increasing the importance of supplementary insurance as a complement to statutory coverage. Gothaer Krankenversicherung AG has been on a growth path here for years. Not only private clients see the value of private insurance. Gothaer Krankenversicherung AG's company health insurance schemes help employers to improve their social sustainability and provide them with a convincing argument in competition for skilled workers. Here too, the Company is extending its lead in the market and supplementing its corporate product range with innovative health services.

An overview of the BarmeniaGothaer Group



* Less 1 voting right (74.99 %)
** Total Group interest

As of January 1, 2026

BarmeniaGothaer AG
Group Annual Report

Extract from:
Report for the Financial Year as of
1 January to 31 December 2025

Registered Office of the Company
Arnoldiplatz 1
50969 Cologne/Germany

Cologne Local Court, HRB 62211

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NB: For better legibility, we have occasionally refrained from using gender-neutral language. All personal references are non-gender-specific.

A strong start for BarmeniaGothaer

Professor Werner Görg and Dr h.c. Josef Beutelmann

Chair and Deputy Chair of the BarmeniaGothaer AG

2025 was another year characterized by geopolitical tensions and a challenging global economic situation. Volatile markets, fragile supply chains and growing trade restrictions hampered investment activity and made reliable planning difficult. Deglobalization trends, limited access to raw materials and global competition for skilled workers also added to the structural transformation pressure.

After two years of recession, the German economy has shown only modest signs of stabilization. The export industry continues to face intense competitive pressure, investment activity remains subdued and key challenges – including energy costs, social security contributions, deregulation and digitalization – particularly in the field of artificial intelligence – remain unresolved. Overall, there is no trend reversal, but rather a fragile consolidation that requires decisive political action and concrete reforms.

Despite the slower economic momentum, the insurance industry held its own. It benefited from inflation-related premium adjustments in property and casualty insurance, strong single-premium business in life insurance and rising private health insurance premium income. At the same time, it is becoming apparent that operational margins are tightening, with further challenges stemming from rising costs, demographic change and regulatory requirements. Although the insurance industry remains resilient, the political and economic framework calls for a high level of adaptability.

BarmeniaGothaer completed its first full financial year with strong results. Despite the challenges of integrating and growing together, the Group successfully positioned itself in the market and achieved noticeable growth. In property and casualty insurance business the sharply rising premiums and lower claims ratios brought about a clear improvement in profitability, supported by disciplined underwriting and the absence of major natural catastrophes. In the health insurance segment, the Company coped well with the dynamic increase in benefit expenditure and its comprehensive health insurance portfolio developed particularly positively. The life insurance segment benefited from a significant increase in strategically important regular premiums, which further consolidated the stable business base.

Together with solid investment results, these developments contributed to a stable and significantly improved earnings position overall. The Group was also able to strengthen its financial resilience by continuously improving its capitalization and solvency ratios. External confirmation of this very strong position also exists from rating agency S&P Global Ratings, which reaffirmed the existing “A” rating and the positive outlook.

In 2025, the first joint Group strategy was adopted to place this growth on a sustainable and long-term footing. The Supervisory Board supported the strategy process, working in a spirit of close and trusting cooperation with the Management Board on prioritization and implementation. The strategy also provides the foundation for BarmeniaGothaer AG, which unites almost the entire workforce under one roof. The new structure is not only an important step towards integration, but also establishes clear responsibilities, improves process efficiency and creates the foundation for the development of customer-centric, holistic solutions.

The Supervisory Board oversaw and advised the Management Board in compliance with legal requirements and the articles of association. It held three meetings in this context. In order to fulfil its legal and statutory obligations in a solution-focused and efficient manner, the Supervisory Board formed committees. The risk & audit committee, the management board committee and the investment committee each met three times, while the sustainability committee met twice.

The Supervisory Board welcomes the fact that sustainability is firmly anchored within the Group strategy and supports the goals of the business model's alignment with a 1.5-degree pathway, the expansion of the Sustainable Insurance Framework and the pursuit of long-term climate targets, including net zero by 2050. It also backs the expansion of impact and thematic investments. The substance of this approach is underlined by the current Assekurata sustainability rating, in which the Group was rated AA+ ("very good") as the industry leader.

In light of increasing climate risks, the question of how to ensure permanently affordable and reliable insurance coverage against natural hazards is becoming ever more important. The "Elementar Re" model presented by the German Insurance Association (GDV) offers an approach to pooling risks and keeping premiums stable, even in high-risk scenarios. At the same time, it is becoming clear that without a more robust approach to prevention, no system will remain sustainable in the long term. Effective structural, municipal and individual precautionary measures such as risk-based approvals, climate-adapted spatial planning and incentives for personal risk mitigation must therefore form a central part of the overall concept. Risk-mitigating behaviour should be appropriately incentivized to ensure that prevention becomes economically attractive. A transparent opt-out arrangement can support this approach, provided that it has understandable consequences if a loss event occurs. Legislative considerations on mandatory solutions should also be addressed in an objective and balanced way, particularly since constructive support from the insurance industry is important for broader public acceptance. Ultimately, timely and clearly defined state intervention, for example through a targeted stop-loss mechanism, is necessary in case extreme loss events happen – not only to provide financial security, but also reinforce public awareness of the importance of effective prevention. Prevention remains the key to limiting risks and costs.

Demographic change is intensifying competition for skilled labour and making it essential for BarmeniaGothaer AG to clearly position itself as a modern and attractive employer. With flexible working models, a strong culture of collaboration and diverse development opportunities, the Group has key strengths that are particularly appealing to younger talent. Raising the visibility of these qualities is crucial for the Group's long-term viability.

We would like to express our sincere appreciation to all those who contributed to the success of the past year. Our special thanks go to our colleagues, both in the sales organization and in the back office. Thanks to their dedication, professionalism and collaborative spirit, both teams have made a significant contribution to the excellent results. We would also like to thank the Management Board and the committees. Their clear strategic direction, active support and trusting cooperation have made a decisive contribution to our shared success. This collective commitment across all units, roles and hierarchies strengthens our confidence and paves the way for the next steps on our journey together.

Sincerely,

TogetherStrong

Dr Andreas Eurich and Oliver Schoeller

Co-Chairs of the Management Board of BarmeniaGothaer AG

At the the end of our first full financial year together as BarmeniaGothaer AG, we can look back on a period in which we have grown noticeably closer, both as an organization and as a team. This process of growing together has created a solid and important basis for our future roadmap and enabled us to develop a clear understanding of the Group's long-term direction. Our "TogetherStrong" strategy emerged from this process. It provides us with a source of guidance and defines our aspiration: to build an outstanding company that purposefully combines its strengths and continues to build on them in order to provide a comprehensive range of risk protection, retirement provision and asset management products.

Taking the strategy as a starting point, we have set ourselves ambitious targets: to become one of the top three mutual insurance groups across all lines of business, to increase premium income to € 10 billion by 2028 and to achieve a consolidated net profit of € 200 million. The four dimensions of people, growth, resilience and technology, underpinned by a clear commitment to sustainability, form the strategic framework for this ambition. They combine our cultural strengths with concrete growth areas in private customer business, in employer benefits and in the SME segment.

In this strategic context, the merger of the exclusive distribution networks into BarmeniaGothaer AG in January 2026 marks a key milestone. With almost the entire workforce now being part of this Company, we have the basis for a shared sense of identity and the opportunity to significantly simplify collaborative processes, workflows and close customer relations. The integration of the exclusive distribution networks not only means that the existing agency base has doubled, it also represents a step that bundles expertise, strengthens our position and lays the foundation for a forward-looking, efficient and high-performing sales organization.

This strategic focus comes at a time of significant global economic change. Despite ongoing uncertainties, the global economy remains resilient, although growth is modest. Geopolitical tensions, escalating trade policy risks and a generally cautious investment climate continue to shape the international environment and these same developments are also clearly reflected in Germany. The domestic economy has been in a prolonged phase of structural weakness, with low investments, subdued consumption and weak industrial activity weighing on growth. At the same time, major transformation challenges – from the energy grid and demographic change to digitalization – are placing high demands on companies across all sectors. The insurance industry is no exception and it is being called upon more than ever to provide stability, while also consistently addressing future challenges.

Despite this testing environment, BarmeniaGothaer AG performed very well last year. Buoyed by very strong sales performance, we are achieving significantly above-market growth, clearly demonstrating the strength of our combined organization. In the property and casualty segment, both mobility and private customer business developed very dynamically. In our health insurance business, comprehensive cover proved to be a particularly strong growth driver. The trend was also positive in life insurance, where regular premiums are growing faster than the market, confirming that the Group's strategic focus is set in the right direction.

At the same time, underwriting performance — especially in property and casualty and health insurance — improved significantly, which is positively reflected in the Group result. Our financial resilience remains very strong and a very comfortable Solvency II ratio underscores the high level of stability and reliability of our Group.

The rating agency S&P Global Ratings also confirmed this strong position by affirming the ratings of Gothaer Allgemeine Versicherung AG, Gothaer Krankenversicherung AG and Gothaer Lebensversicherung AG. All three companies retained their "A" rating, with a continued positive outlook. S&P Global Ratings expects increased competitiveness as a result of the more diversified product portfolio, the broader customer base and the expanded sales organization. It also highlighted the very strong financial risk profile, supported by a solid capital base, as well as greater resilience through diversification across all lines of insurance.

Sustainability is an integral part of our strategy and a core element of our self-understanding. We are committed to taking a clear stand and to assuming responsibility towards our customers, our employees, society and future generations. At the same time, it is in our own interest to act in a sustainable way. Only if ecological, social and economic risks remain manageable in the long term can they remain insurable and enable us to reliably fulfil our mandate. The results of the Assekurata sustainability rating illustrate how consistently we pursue this ambition: BarmeniaGothaer AG achieved an AA+ ("very good") rating at its first assessment – the best result ever recorded for an insurance group. The analysis distinguishes between the management of sustainability-related risks within the organization (outside-in perspective) and the Group's impact on the environment and society (inside-out perspective). It covers the areas of governance framework, business operations, product management and risk transfer, as well as investment. This achievement serves as an incentive not to ease our efforts. With our new sustainability strategy, we are pursuing the clear ambition of making our business model 1.5-degree compatible. Short-, medium- and long-term targets, KPIs and roadmaps have been defined through to 2030 and 2050 for all sustainability pillars – sustainability management, investment, insurance, own operations, customers and sales, people and society.

We will continue to prioritize a strong market focus by cultivating strong and enduring customer relationships – both in private and corporate client business – and specifically leverage the strengths we possess as a mutual insurance association. The use of artificial intelligence will play an increasingly important role in this development. It is becoming a disruptive value creation driver and will be a core investment portfolio priority in the coming financial year. Our aim is to use it in a targeted way to free up resources, make processes more efficient and improve quality in the interests of our customers. The fact that technological and cultural development go hand in hand is reflected in the active and open way our employees are helping to shape this transformation.

In hindsight, we are greatly impressed by the energy and sense of responsibility with which our colleagues in both office and field roles have driven the integration of the two predecessor groups while continuing to support our customers. We are sincerely grateful for this. Their commitment, dependability and trust have been decisive factors in our success.

Sincerely,

Supervisory Board

Professor Werner Görg Chair		Lawyer, Tax Accountant
Peter-Josef Schützeichel *) 1st Vice Chair		Insurance Employee, Chair of the Group Works Council
Dr. h. c. Josef Beutelmann 2nd Vice Chair		General Director (retd.)
Peter Abend *)		Insurance employee, Lawyer
Michael Behrendt		Member of the Supervisory Board of Hapag-Lloyd AG
Anke Düsterloh		Certified Public Accountant, Tax Consultant
Antje Eichelmann *)		Insurance employee, Chair of the Works Council at the Cologne Head Office
Gabriele Eick	until 8 May 2025	Proprietor of the Executive Communications consul-tancy
Ingolf Graul		Managing Director (retd.)
Carl Graf von Hardenberg		Chair of the Supervisory Board of Hardenberg-Wilthen AG
Professor Johanna Hey		Director of the Institute for Tax Law at the University of Cologne
Professor Heike Jochum		Tax Consultant, Lawyer
Dr. Judith Kerschbaumer *)		ver.di Trade Union Secretary, Lawyer
Jürgen Wolfgang Kirchhoff		Graduate Engineer, Managing Partner and COO of KIRCHHOFF Holding GmbH & Co. KG
Dr. Dirk Niedermeyer	since 8 May 2025	Managing Director of NZD Grundbesitzverwaltung GmbH & Co. KG
Corinna Otto *)		Insurance Broker
Christian Rother *)		Insurance employee, Chair of the General Works Council of BarmeniaGothaer AG
Heike Rottmann *)		Insurance Broker
Matthias Rottwinkel *)		Insurance employee
Götz Schneider *)		Insurance employee
Antje Voous *)		Insurance employee, Head of Private Customer Contract Services Property & Casualty at BarmeniaGothaer AG, Lawyer

*) Elected by employees

Management

Dr. Andreas Eurich Co-CEO and HR Director		Human Resources, Legal & Staff, Group Auditing, Risk Management
Oliver Schoeller Co-CEO		Digital Transformation & Innovation, Income and Cost Controlling, Business Development, Corporate Communications
Thomas Bischof		Property & Casualty
Alina vom Bruck		Life
Dr. Mathias Bühring-Uhle	until 31 January 2025	Transition of IT und Operations Matters
Dr. Sylvia Eichelberg		Operations
Harald Epple		Finance
Frank Lamsfuß		IT, Sales
Christian Ritz		Health

The list of members of the Supervisory Board and Management Board also constitutes the disclosure in accordance with Section 314 (1) no. 6 of the German Commercial Code (HGB).

Group Management Report

Fundamental information about the BarmeniaGothaer Group

BarmeniaGothaer AG, trading as Barmenia.Gothaer Finanzholding AG until 19 December 2025, prepares the consolidated financial statements for the BarmeniaGothaer Group.

Barmenia Versicherungen a. G., Wuppertal and Gothaer Versicherungsbank VVaG, Cologne hold 36 % and 64 % respectively of the shares in BarmeniaGothaer AG. Barmenia Versicherungen a. G. and Gothaer Versicherungsbank VVaG are combined into a horizontal group under common management pursuant to section 18 (2) of the German Stock Corporation Act (AktG). The aforementioned insurance associations exercise 100 % of the voting rights jointly on the basis of a coordination group agreement and a unanimity provision in the Company's articles of association.

The companies of the BarmeniaGothaer Group operate directly and indirectly in all lines of insurance in Germany and abroad.

Insurance lines and coverages

Directly written insurance business

Life insurance

Health insurance

Accident insurance

Liability insurance

Motor insurance

Fire insurance

Comprehensive householders insurance

Comprehensive homeowners insurance

Transport insurance

Credit and surety insurance

Motorist assistance insurance

Cyber insurance

Other property insurance

Other non-life insurance

Reinsurance business assumed

Health insurance

Accident insurance

Liability insurance

Motor insurance

Legal expenses insurance

Fire insurance

Comprehensive householders insurance

Comprehensive homeowners insurance

Transport insurance

Credit and surety insurance

Motorist assistance insurance

Other property insurance

Other non-life insurance

Business Report

The remarks on actuarial practice contained in the sections of the Group Management Report on the development of business, outlook and opportunities and risks of future development refer predominantly to the major risk carriers of the Group. Those risk carriers are Gothaer Allgemeine Versicherung AG and Barmenia Allgemeine Versicherungs-AG for property and casualty insurance, Gothaer Lebensversicherung AG for life insurance and Barmenia Krankenversicherung AG and Gothaer Krankenversicherung AG for health insurance.

The economic framework in 2025

In the period under review, global economic developments were dominated by the political shift in the USA. Although US tariff increases were steep, the global economy remained surprisingly resilient throughout the year. The tariffs did, however, hinder the reduction of inflation in the USA. Meanwhile, eurozone inflation stabilized at 2 %, allowing the European Central Bank to cut key interest rates four times to 2 % in the first half of the year. Later in the year, the focus increasingly shifted to the US labour market slowdown, prompting the Federal Reserve to downwardly adjust the key interest rate three times to 3.75 % from September onwards. Structural problems in major economies such as China and Germany continued to slow economic activity. In response to these problems and the changed geopolitical situation, the new German government implemented a fiscal policy U-turn in the spring, when it decided to increase debt-financed public investment in defence and infrastructure. German gross domestic product (GDP) growth increased moderately to an annual average of +0.2 %.

2025 proved to be a successful year for the global government bond markets. Despite the volatile price trend in the first half of the year due to the erratic US customs policy, they benefited from the US Federal Reserve’s monetary policy relief measures in the second half of the year. The total yield on US government bonds in 2025 was 6.2 % (in USD), whereas the increase in yield on European government bonds was relatively moderate at +0.6 %. German government bonds lost 1.4 %, while Italian government bonds gained 3.3 %. The total yield on euro-denominated investment grade corporate bonds was 3.0 % in 2025.

There were double-digit gains on the stock markets for the third year in succession. The S&P 500 Total Return Index in USD recorded an annual performance of 17.9 %, European dividend equities (Euro Stoxx 50 Total Return Index) posted a gain of 21.2 % and the DAX Performance Index delivered an increase of 23.0 %.

The international private equity and private debt markets remained favourable in 2025. Valuations for private equity investments rose over the course of the year, with some offering up to double-digit returns. At the same time, corporate debt levels remained low. Private debt markets were characterized by stable interest rates and historically low default rates.

During the period under review, property markets remained affected by higher financing costs and there was only a slight increase in transaction volumes. The performance of office and retail properties varied by location, quality and sustainability, while the performance of residential and logistics properties remained largely stable or improved slightly.

Developments in the insurance industry

Insurance industry as a whole

After two years of recession, Germany’s economic output saw a moderate upturn. According to initial figures from the Federal Statistical Office, price-adjusted gross domestic product (GDP) in 2025 was 0.2 % higher than in the previous year. This development was primarily driven by higher private and public sector spending. Price-adjusted consumer spending rose by 1.4 % overall, with households spending significantly more on healthcare in particular (+3.8 %) compared to the previous year. The long-term upward trend in the labour market came to a halt. The unemployment rate stood at 6.3 %. According to provisional data, the average inflation rate for the year was 2.2 %, which is broadly in line with the previous year.

Against this backdrop, the German Insurance Association (GDV) once again expects the insurance industry to record a positive premium trend in 2025. In life insurance, strong momentum in single-premium business continued, supported by an improved interest rate environment and robust nominal wage growth. At the same time, a more restrictive labour market situation and broader economic uncertainty increased the risk of higher outflows in regular premiums. According to preliminary GDV figures, this results in a slight increase in regular premiums of around 0.2 % (life insurance in the narrower sense) to around € 64.5 billion. In contrast, single premiums rose significantly by 17.5 % to around € 32.2 billion. Overall, the life insurance premium volume increased by 5.4 % to € 96.7 billion. Premium growth in private health insurance was primarily driven by premium adjustments. The trend of supplementing statutory health insurance with private supplementary insurance products continued in the year under review. According to preliminary figures, premium income in health and long-term care insurance is expected to increase by 7.3 % to € 54.4 billion in 2025. Premium income in property and casualty insurance as a whole is also expected to rise significantly, by 7.6 % to € 99.6 billion in 2025. The strongest growth was recorded in motor insurance, while inflation-related adjustments in other lines had a less pronounced impact than in previous years. Across the insurance industry as a whole, total premium income is expected to increase by 6.6 % to € 253.6 billion.

Property and casualty insurance

The GDV projects strong premium income growth of 7.6 % to € 99.6 billion in 2025 for the **property and casualty insurance** segment as a whole, driven primarily by motor insurance. According to preliminary figures, claims expenditure declined by 1.4 % to € 68.0 billion, mainly due to a relatively low level of natural hazard-related losses. Underwriting profit for 2025 has almost tripled since the previous year to € 10.1 billion.

In **property insurance**, premium growth of 6.5 % to € 34.1 billion is expected. Both the private property insurance and non-private property insurance lines grew by 6.5 %. Although adjustments for inflation and cover extensions resulted in further premium growth, the growth rate was lower than in the previous year. The strongest growth took place in comprehensive homeowners insurance, which saw a 7.5 % upturn. In this insurance line, the ongoing increase in demand for natural hazards cover drove up premium income. 2025 was a below-average property insurance claims year. Annual claims expenditure in the financial year under review is expected to have fallen by 10.1 % to € 19.8 billion. The volume of natural hazard-related claims was significantly lower than the long-term average, and there was also a reduction in claims for major fire losses.

Under these circumstances, the property insurers closed the year with a significantly higher underwriting profit than in the previous year. The combined ratio improved accordingly, and is expected to be around 85 %.

With a share of 39 %, **motor vehicle insurance** accounted for the largest portion of total property and casualty insurance premiums. Premium income in this line grew by 13.2 % to € 38.5 billion in 2025. Due to the fact that the number of new vehicle registrations remained low, additions to the insured portfolio contributed only marginally to growth. The increase in premiums was nevertheless higher than in the previous year as a result of the strong development of average premiums. In motor liability insurance, the average premium is expected to rise by 10.5 %, in fully comprehensive insurance by 16.5 % and in partial own damage insurance by 13.0 %. Despite the decline in claims frequency, there was such a sharp upturn in the amount of average claims that claim expenditure during the financial year increased by 3.2 % to € 31.8 billion. The amount of average claims was driven up by the very dynamic development of vehicle spare parts prices and repair shop hourly rates, as well as wage trends in the healthcare sector. The motor insurance segment also recorded a significantly below-average claims year for natural hazard insurance, which in turn caused fully comprehensive and partial own damage insurance claims expenditure to decline. Overall, these developments led to a combined ratio of 97 % for motor insurance in the 2025 financial year – following three years of losses – and an underwriting profit of € 1.1 billion.

In the **general liability insurance** segment, premium income is expected to increase by 1.0 %. The very low projected increase in claims expenditure could result in a slight improvement to the combined ratio. Growth in **general accident insurance** premium income is expected to be only slightly higher at 1.5 % and the combined ratio is likely to remain at the previous year's level.

Life insurance

In 2025, life insurance business once again benefited from the interest rate environment and the yield curve normalized. Although long-term interest rates rose, short-term rates declined as a result of further interest rate cuts by the European Central Bank. Although lower interest rates made short-term term deposits less attractive, they still remained available for high-volume investments, allowing life insurers to offer customers attractive products. Rising demand for such products is reflected in the figures reported by the German Insurance Association (GDV).

The strong development of single-premium business therefore continued in the year under review. This was supported by the improved interest rate environment and robust nominal wage growth, which also had a positive effect on demand for new regular premium business. At the same time, a more restrictive labour market situation and broader economic uncertainty increased the risk of higher outflows in regular premiums. The situation was exacerbated by demographic effects, in particular the ageing population, with pension transitions contributing further to portfolio erosion. Besides the market environment, GDV attaches great importance to the political and regulatory frameworks. A key change in this context was raising the maximum actuarial interest rate from 0.25 % to 1.0 % as of 1 January 2025. This gave life insurers greater flexibility in pricing products with guarantee components, particularly biometric products such as occupational disability and term life insurance, in a situation of shrinking policy reserves for guaranteed benefits and declining gross premiums. This adjustment has a direct positive impact on product design, costing and provider competitiveness.

According to preliminary figures from the GDV, regular premium income increased moderately by around 0.2 % (life insurance in the narrower sense, i.e. excluding pension funds and occupational pension schemes), to approximately € 64.5 billion. In contrast, single premium income rose significantly by 17.5 % to around € 32.2 billion. Overall, the life insurance premium volume increased by 5.4 % to € 96.7 billion.

Health insurance

In the 2025 financial year, premium adjustments averaging around 18 % for approximately two thirds of comprehensively insured policyholders were a key factor in premium developments in private health insurance. According to preliminary figures of the German Association of Private Health Insurers, premium income in health and long-term care insurance is expected to increase by 7.3 % to € 54.4 billion in 2025. € 48.2 billion (+8.2 %) of this amount is accounted for by health insurance and € 6.3 billion (+0.9 %) by private compulsory long-term care insurance.

Access to private health insurance was made considerably more difficult when the gross annual income threshold was raised by 6.5 % to € 73,800 per annum. This represents a distortion of competition to the detriment of the health insurance sector because it massively restricts the freedom of choice of a large number of employees. Nevertheless, the number of people with comprehensive private health insurance increased to 8.8 million in 2025 (0.5 %). This represents further net portfolio growth – after deduction of deaths and contracts terminated under compulsory insurance rules.

Insurance benefits and thus the costs of health insurers increased significantly once again, particularly in the inpatient sector. The absence of necessary reforms, particularly in long-term care insurance, led to further upward pressure on costs. Demographic trends intensified these effects due to the fact that a growing proportion of older policyholders require a higher level for care. In long-term care insurance, expenditure increased by 10.5 % to € 3.0 billion. Health insurance expenditure increased by 6.9 % to € 39.0 billion. As a result, the industry's insurance benefits increased significantly in the year under review by 7.1 % to € 42.1 billion overall.

The trend of supplementing statutory health insurance with private supplementary insurance products continued in the year under review. Against the backdrop of intensive health policy debates about the problems of funding the statutory health insurance system and the associated deliberations on potential benefit restrictions, greater significance is being attached to private supplementary insurance and the number of supplementary insurance policyholders grew by 2.2 % to 32.0 million.

Business Development of BarmeniaGothaer in 2025

The consolidated financial statements for the BarmeniaGothaer Group are prepared by BarmeniaGothaer AG. In the consolidated income statement, the items for Barmenia Krankenversicherung AG, Barmenia Allgemeine Versicherungs-AG, PrismaLife AG and Barmenia Grundstücks GmbH & Co. KG are recognized at their full values, whereas in the previous year they were still recognized at pro rata temporis values (three months) due to their first-time inclusion.

In a sustained challenging macroeconomic environment, we were able to generate premium income of € 9.25 billion (PY: € 6.30 billion). Investment income stands at € 1.23 billion (PY: € 944.8 million), with a net return on investment of 2.4 %. Our net profit for the year amounted to € 109.2 million (PY: € 19.0 million).

						€ million
	Gross premiums written		Underwriting result net of reinsurance		Investment result	
	2025	2024	2025	2024	2025	2024
Property and casualty	3,697.8	3,134.1	12.0	-44.4	173.8	109.3
Life	1,727.2	1,549.4	53.4	62.9	362.6	500.7
Health	3,820.5	1,616.7	124.8	66.8	721.9	369.2
Other Activities	0.0	0.0	0.0	0.0	-29.3	-34.5
Total	**9,245.5**	**6,300.2**	**190.2**	**85.4**	**1,229.0**	**944.8**

Gross written premiums across the entire Group rose to € 9.25 billion (PY: € 6.30 billion). Of this, the largest volume of premiums is attributable to health insurance at € 3.82 billion (PY: € 1.62 billion), accounting for a 41.3 % share (PY: 25.7 %) of the total volume. Premium income in the property and casualty insurance segment amounted to € 3.70 billion (PY: € 3.13 billion), which represents a share of 40.0 % (PY: 49.7 %). The life insurance line contributed gross premiums of € 1.73 billion (PY: € 1.55 billion) and its share of total business is 18.7 % (PY: 24.6 %).

Direct written business, which is our core business, accounted for € 9.10 billion (PY: € 6.16 billion) of gross written premiums. Premiums written in reinsurance assumed from non-Group insurers totalled € 146.4 million (PY: € 142.9 million). This business relates entirely to property and casualty insurance and is of only minor significance in terms of its contribution to the Group's total premium volume.

The underwriting result net of reinsurance at Group level totals € 190.2 million (PY: € 85.4 million). Life and health insurance as well as property and casualty insurance made positive contributions to earnings.

These three lines of business also made a positive contribution to the investment result, which stood at € 1.23 billion in the financial year (PY: € 944.8 million).

Property and casualty insurance

Gross premiums written in the property and casualty insurance segment amounted to € 3.70 billion (PY: € 3.13 billion). Premium income from direct written business totalled € 3.55 billion (PY: € 2.99 million), and premium income from reinsurance business assumed amounted to € 146.4 million (PY: € 142.9 million). We remain committed to achieving growth by pursuing a profit-orientated underwriting strategy. Premiums ceded to reinsurance amounted to € 568.4 million (PY: € 656.1 million). The proportion of the portfolio ceded for our own reinsurance coverage has decreased compared to the previous year, reflecting a structural adjustment in response to changes in the cost of reinsurance for natural hazards. In addition, the continued high growth in property insurance was taken into account by increasing the monetary retention for our non-proportional natural hazard cover. This has led to an overall increase in our own risk retention for natural hazard cover and, as a result, earned property and casualty premiums net of reinsurance amounted to € 3.09 billion (PY: € 2.44 billion).

Gross claims expenditure in property and casualty insurance totalled € 2.32 billion (PY: € 2.04 billion) in the year under review). As in the industry as a whole, the claims expenditure for natural hazards (including major natural hazards) was significantly lower in the financial year than in the previous year. Claims expenditure for major fire losses increased after an exceptionally good result in the previous year. The gross loss ratio in the year under review was 63.6 % (PY: 66.0 %). After deductions for reinsurance, insurance claims expenditure net of reinsurance totalled € 2.08 billion (PY: € 1.72 billion). The net loss ratio is 67.1 % (PY: 70.5 %). The reserve for outstanding (net) claims amounts to € 3.09 billion (PY: € 2.95 billion). The loss reserve ratio – the ratio of net loss reserves to net earned premiums – was below the prior-year level at 100.0 % (PY: 120.5 %).

Underwriting expenses net of reinsurance totalled € 893.8 million (PY: € 690.9 million). Administrative expenses accounted for € 392.1 million (PY: € 337.8 million) of this amount, and acquisition expenses accounted for € 643.2 million (PY: € 538.5 million). The increase in acquisition expenses is due to good production figures. Reinsurance commissions amounted to € 141.5 million (PY: € 185.5 million). The gross cost ratio for the financial year was 28.4 % and the net cost ratio 28.9 %. In the previous year, both ratios were 28.3 %. This resulted in a net combined ratio of 96.1 % (PY: 98.7 %) for the property and casualty insurance segment as a whole.

The underwriting result before adjustment of the equalization reserve totals € 83.4 million (PY: € 0.2 million). It was necessary to add a total of € 71.3 million (PY: € 44.5 million) to the equalization reserve . After allowance for this addition, the underwriting result net of reinsurance was € 12.0 million in the year under review (PY: € -44.4 million).

Life insurance

The interest rate environment and the solid growth in the nominal wages of private households had a positive impact on business development in the life insurance segment in 2025. Gross premiums written totalling € 1.73 billion (PY: € 1.55 billion) were received in the year under review. Single premium business accounted for € 476.2 million (PY: € 385.1 million) of this amount and regular premium business for € 1.25 billion (PY: € 1.16 billion). We believe we are very well positioned in both the occupational pension scheme segment and in the collective occupational disability insurance segment.

New business – measured in terms of total new premiums – amounted to € 3.70 billion (PY: € 3.99 billion). Total new premiums is the sum of premiums due over the term of newly concluded policies.

Under profit-sharing arrangements, a sum of € 47.9 million (PY: € 43.9 million) was withdrawn from the reserve for premium refunds as “contributions from the reserve for premium refunds” and used for additional insurance benefits.

The allocated investment return from the non-technical account – i.e. the share of investment income attributable to life insurance from a Group perspective – was € 331.0 million (PY: € 454.4 million) in the year under review. The full investment result for the Group is shown in the non-technical account.

Life insurance claims expenditure net of reinsurance totalled € 1.78 billion (PY: € 1.97 billion). This includes payments for insurance claims totalling € 1.76 million (PY: € 1.93 billion). Expenses were also reported in the financial year due to the adjustment of the reserve for outstanding claims.

Policy reserves net of reinsurance totalled € 18.80 billion in the financial year (PY: € 18.83 billion). This includes the additional interest reserve of € 1.63 billion (PY: € 1.73 billion).

Underwriting reserves for life insurance where investment risk is borne by policyholders amounted to € 5.56 billion (PY: € 5.06 billion).

The reserve for premium refunds includes the surpluses generated in the financial years before they are paid to the individual policyholders at the contractually agreed times during the term or upon expiry of policies. The reserve for premium refunds totalled € 589.9 million (PY: € 673.0 million).

Underwriting expenses net of reinsurance stood at € 173.0 million (PY: € 208.4 million) in the year under review. Acquisition costs amounted to € 166.4 million (PY: € 174.6 million). The acquisition cost ratio – the ratio of acquisition costs to the new premium sum – was 4.5 % (PY: 4.4 %). Administrative costs in the year under review totalled € 48.8 million (PY: € 43.9 million). The administrative cost ratio – the ratio of administrative expenses to gross written premiums – remained at the previous year’s level of 2.8 %.

Overall, the underwriting result net of reinsurance was € 53.4 million for life insurance (PY: € 62.9 million).

Health insurance

The Group's health insurers reported gross written premiums of € 3.82 billion in 2025 (PY: € 1.62 billion). A high volume of new health insurance business was recorded, driven in particular by comprehensive cover. The number of comprehensive health insurance policyholders increased from 435 thousand in 2024 to 444 thousand. in 2025, while the number of persons with supplementary insurance totalled 2,731 thousand (PY: 2,742 thousand) .

To cap premium adjustments and reduce premiums for older policyholders a sum of € 140.4 million (PY: € 49.1) was withdrawn from the reserve for premium refunds and recognized under the relevant premium item.

The allocated investment return from the non-technical account for health insurance business in the financial year was shown in the underwriting account as € 761.8 million (PY: € 366.2 million). This is the portion of net investment income attributable to health insurance from a Group perspective. The full investment result for the Group is shown in the non-technical account.

In the financial year under review, the development of benefits in healthcare sector remained highly dynamic. Insurance claims expenditure net of reinsurance totalled € 2.85 billion (PY: € 1.31 billion). This includes payments for insurance claims net of reinsurance and loss adjustment expenses of € 2.80 billion (PY: € 1.29 billion), as well as € 55.9 million in connection with the adjustment of the reserve for outstanding claims (PY: € 18.0 million). The gross loss ratio – a yardstick for assessing expenditures incurred in connection with our policyholders – stood at 81.9 % (PY: 84.1 %).

The policy reserve increased to € 23.12 billion (PY: € 22.13 billion) at the end of the year.

In the financial year under review, we again withdrew substantial funds from the reserves for profit-related and non-profit-related premium refunds and made them available to policyholders. After additions in the year under review, the reserves for profit-related and non-profit-related premium refunds totalled € 792.4 million (PY: € 750.9 million). The allocation ratio to the reserve for premium refunds is 7.5 % (PY: 4.3 %).

Underwriting expenses net of reinsurance in the financial year totalled € 384.8 million (PY: € 179.0 million). Acquisition expenses amounted to € 311.1 million (PY: € 140.4 million). The acquisition cost ratio – the ratio of acquisition expenses to earned premiums – stood at 8.2 % (PY: 8.7 %). € 86.3 million (PY: € 41.6 million) in expenses were incurred for insurance policy management costs, resulting in an administrative cost ratio – the ratio of administrative expenses to premiums – of 2.3 % (PY: 2.6 %).

The underwriting result net of reinsurance in the health insurance segment thus totalled € 124.8 million (PY: € 66.8 million).

Investments

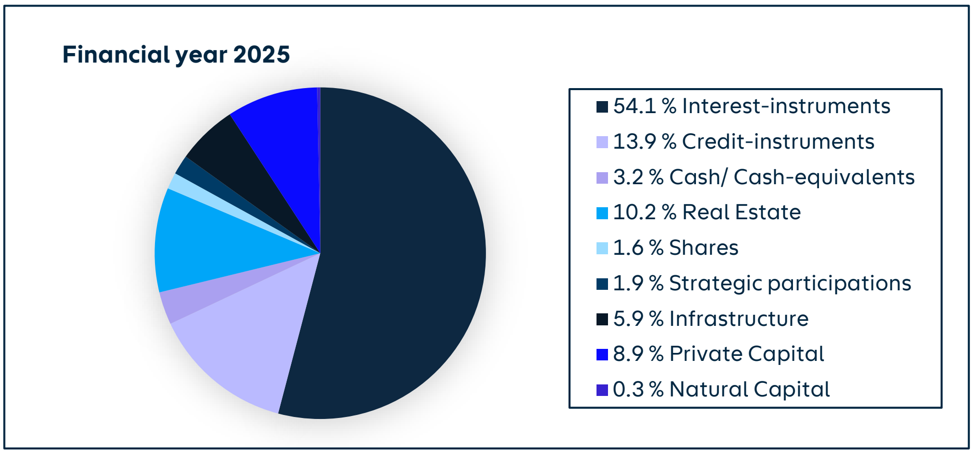
The investment strategy of the BarmeniaGothaer Group is implicitly derived from the investment strategies of the relevant risk carriers in the Group. The latter, in turn, form part of the individual risk carriers' business strategies. At Group level, the primary goal of investment policy is to generate stable and sustainable income for the consolidated financial statements. At the same time, the relevant regulatory requirements relating to investment returns, liquidity, security and quality need to be observed at risk carrier level and – depending on risk carrier – the solvency requirements of Solvency II need to be met. The investment strategies of the risk carriers are the outcome of a process for determining strategic asset allocations, which aims to optimize the return/risk ratio of the investment portfolios. In turn, this process is based on the results and parameters of continuous and comprehensive asset liability management that particularly takes account of the relevant underwriting requirements.

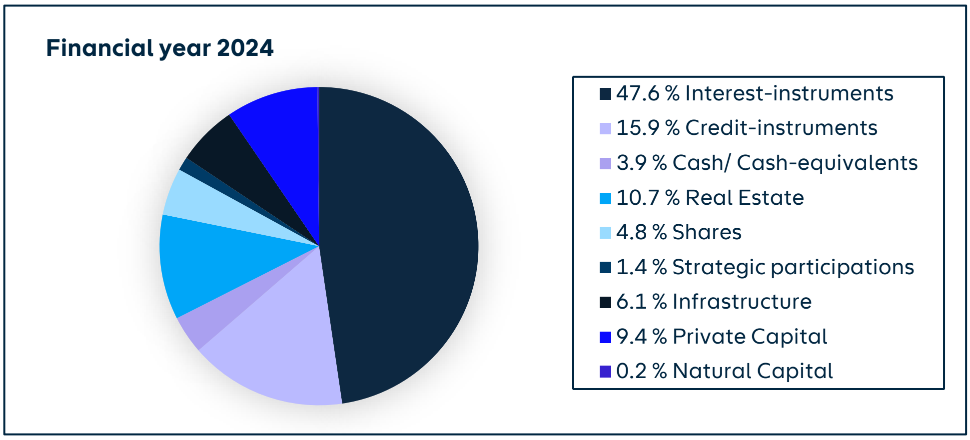
The BarmeniaGothaer Group remained committed to its long-standing investment policy, which is largely geared towards stable current income, in this financial year. It focuses on generating attractive returns in the given market environment and on reducing overall risk by achieving the greatest possible level of risk diversification over the different types of investment. Investment decisions always take environmental, social and governance criteria – so-called ESG criteria – into account.

The book value of the BarmeniaGothaer Group investment portfolio is € 51.07 billion (PY: € 49.45 billion). The carrying value of investments for the account and risk of life insurance policyholders was € 5.56 billion (PY: 5.06 billion) in the year under review.

Composition of investments

Based on market values and after a look-through analysis of fund holdings, the composition of investments in the BarmeniaGothaer Group at the financial year-end is as follows:





The majority of the Group's investments are in fixed-interest and credit instruments. Real estate and private capital also form an important part of the investment universe, followed by investments in infrastructure and equities. Investments in real estate, private capital and infrastructure include both equity and debt investments. The equity investments partially consist of Solvency II-optimized equity mandates with option hedges. Holdings in real estate, equities and private equity were reduced in the financial year.

Investment income stood at € 1.23 billion (PY: € 944.8 million) in the year under review. High fund distributions led to current income of € 1.53 billion (PY: € 1.18 billion) and current investment income of € 1.45 billion (PY: € 1.13 billion). The extraordinary result was significantly more negative, falling to € -219.3 million (PY: € -185.0 million), in particular due to write-downs in the fund portfolio, in the infrastructure asset class and in strategic investments in the real estate asset class: Overall, the net return on investment for the financial year, calculated as the ratio of investment income to the average value of the investment portfolio excluding unit-linked life insurance, was 2.4 %.

Net income for the year

With a negative result from other activities, our net income before taxes amounted to € 223.7 million (PY: € 96.4 million). After the deduction of tax expenses of € 114.5 million (PY: € 77.4 million), net profit for the year totalled € 109.2 million (PY: € 19.0 million). The net profit for the year attributable to non-controlling interests amounted to € 7.9 million (PY: € 3.6 million). This resulted in a consolidated net income of € 101.3 million (PY: € 15.5 million).

Shareholders' equity

Shareholders’ equity amounts to € 2.07 billion compared to € 1.99 billion in the previous year. The return on equity, calculated as net income for the year in relation to the average value of shareholders’ equity, is therefore 5.4 %. Group equity includes non-controlling interests of € 104.7 million (PY: € 104.4 million).

Comparison of business developments in 2025 with the forecast made in 2024

The gross premiums written by the BarmeniaGothaer Group were somewhat higher than projected in 2025. We recorded significantly higher growth in single life insurance premiums than expected, which led to a far higher level of gross premiums written. Premium income in property and casualty insurance moderately exceeded the forecast. Gross health insurance premiums written were slightly lower than the projected figure.

After adjustment of the equalization reserve, the underwriting result net of reinsurance was significantly higher than expected.

More detailed information is provided below.

Underwriting result

Property and casualty insurance

Premium income slightly exceeded our expectations in 2025, with stronger-than-planned growth momentum in direct written business. The growth rate of reinsurance business assumed was also significantly higher than forecast.

We are therefore reporting a considerably higher gross underwriting result than planned.

Our modest growth has led to underwriting expenses also being moderately higher than we budgeted for. Reflecting this, the cost ratio, i.e. the ratio of underwriting expenses to premiums, fell significantly short of the projected level.

The reinsurance result in 2025 was significantly above plan. This is primarily due to the reinsurers’ participation in the positive development of claims.

Against the background of only a slight increase in claims expenditure, the addition to the equalization reserve was considerably higher than projected.

Life insurance

Premium income was substantially higher than anticipated in 2025 due to a significant upward deviation from the growth projection for single-premium business. Regular premiums were very close to the planned level.

Underwriting expenses developed much more positively than we budgeted for, and this applies to both the administrative cost ratio and the acquisition cost ratio.

The additional interest reserve was reversed to a significantly greater extent than planned.

Overall, the total gross surpluses were markedly lower than expected.

Health insurance

The 2025 financial year continued to be characterized by highly dynamic developments in healthcare benefits. The impact on business development in health insurance was particularly noticeable due to the moderately higher-than-planned increase in claims expenditure. Gross written premiums were slightly lower than projected. Allocations to reserves for premium refunds are in line with plan.

Investments

Investment income was markedly lower than the projected level.

Net profit for the year

Overall, the net income for the year was significantly higher than planned.

Non-financial performance indicators

Employees

Suitably qualified and motivated employees are of central importance. Their skills, their dedication and their outstanding commitment are the bedrock for our success, especially in the new BarmeniaGothaer Group.

The integration of Barmenia and Gothaer was a key HR management focus in 2025. There were three particularly important issues:

- Contributing an HR perspective to the development of the new Group strategy
- Developing a new mindset for BarmeniaGothaer
- Creating a unified employee remuneration and benefits framework for BarmeniaGothaer

The new “TogetherStrong” Group strategy, which was adopted in 2025, sets out important HR management objectives in the action area of “Kultur(er)leben” (experiencing (and engaging with) culture). They include the Mindset and Leadership, Skill Management, Talent Management and Employer Brand programmes.

A new, shared and sustainable corporate culture is to be created for BarmeniaGothaer from the two previous, strong cultures. It will be characterized by a shared mindset. Numerous workshops were held for staff and managers in 2025. The outcome of these activities is a clearly defined mindset that will guide future actions and support the BarmeniaGothaer Group on its journey forward. The three core elements of the mindset – humanity, passion, entrepreneurship – represent a set of clearly defined collaboration principles.

A key part of the integration process was developing and negotiating a unified remuneration and benefits framework for all future employees of BarmeniaGothaer AG. One of the main objectives was to enhance the Company's attractiveness as an employer and foster a shared sense of identity. In partnership with the co-determination bodies, we successfully established a unified framework for remuneration and employee benefits in 2025 which came into effect on 1 January 2026 and replaced the historically divergent structures. The new unified framework represents a substantial investment in employee benefits, including a significantly expanded, partially employer-funded occupational pension scheme and employer-funded occupational health insurance.

Our HR organization accords highest priority to talent development and retention, as well as to the targeted recruitment of new employees. After announcing the planned merger at the end of 2023, an important goal for 2024 and 2025 was to avoid unwanted personnel turnover. A close succession of turnover management initiatives led to a very encouraging development in the year 2025, when contrary to all anticipated risks, the employee turnover rate fell below the 2023 and 2024 levels.

The retention and recruitment of new employees has become increasingly important in light of the current labour market, making the development and implementation of an authentic and compelling employer brand highly relevant. A new employer brand was therefore developed in 2025. The systematic development process drew on market research findings as well as the new Group strategy and corporate brand, and involved employees and managers from all Group companies taking part in numerous workshops.

The cross-divisional Diversity, Equity & Inclusion Core Team, established in 2024, stepped up its efforts in 2025 under the shared motto "BarmeniaGothaer – besser in bunt" (better through diversity). Diversity Day was celebrated across all locations and colleagues from all Group companies followed the BarmeniaGothaer truck at the Christopher Street Day parade in Cologne. Collaboration in networks and participation in events such as FemaleFinanceDay and the Day for People with Disabilities also remain very popular across all locations. Both Barmenia and Gothaer had already signed the Diversity Charter. BarmeniaGothaer has since reconfirmed that commitment to diversity and equal opportunities by jointly signing the charter in autumn 2025.

Present efforts are also geared to making the BarmeniaGothaer Group demographic-proof, maintaining the workforce and improving employee satisfaction. Alongside our viable financial incentives, we rely on targeted development and training programmes as well as specialist career models such as the consultant career and project leader career programmes. Qualitative and quantitative demographic management, award-winning occupational health management and commitment to the advancement of women are naturally all elements of our HR activities.

Gender diversity

Seven BarmeniaGothaer Group companies with equal or one-third parity co-determination are subject to the German Second Leadership Positions Act (FüPoG II). These companies are periodically required to set gender quotas for their supervisory boards and management boards as well as for the first two tiers of management below the management boards.

The targets that were set by the companies with regard to the various categories of people for 2026 and 2027 prior to the merger of the Barmenia Insurance Group and the Gothaer Insurance Group are shown below.

The 2026 targets for Gothaer are set in numbers of persons; the percentages shown are for information only. When the BarmeniaGothaer Group was formed the number of Management Board and Supervisory Board members as well as the number of tier 1 and 2 managers changed. The defined quota of women represented in the executive bodies and management tiers remained unchanged. Barmenia's targets for 2027 were defined in terms of the number of people on the Management Boards and Supervisory Boards, and as a percentage for tier 1 and 2 managers.

The staff at the companies required to report on quotas for women – Barmenia Allgemeine Versicherung-AG, Barmenia Krankenversicherung AG, Gothaer Allgemeine Versicherung AG, Gothaer Krankenversicherung AG, Gothaer Lebensversicherung AG and Gothaer Solutions GmbH – were transferred to BarmeniaGothaer AG on 1 January 2026 as part of a transfer of undertaking pursuant to section 613a of the German Civil Code (BGB). These companies are therefore only subject to co-determination until 31 December 2025 and they are no longer required to set target quotas for female representation in management positions.

		Supervisory board	Management board	Executives: Management level 1	Executives: Management level 2
					Target value 31.12.2026
BarmeniaGothaer AG					
	People	4 (of 12)	2 (of 7)	8 (of 18)	15 (of 34)
	Share in %	33.3	28.5	44.4	44.1
Barmenia Allgemeine Versicherungs-AG*					
	People	2	1	n.n.	n.n.
	Share in %	n.n.	n.n.	29.0	28.0
Barmenia Krankenversicherung AG*					
	People	2	1	n.n.	n.n.
	Share in %	n.n.	n.n.	28.0	23.0
Gothaer Allgemeine Versicherung AG					
	People	4 (of 12)	2 (of 6)	6 (of 16)	20 (of 64)
	Share in %	33.3	33.3	37.5	31.3
Gothaer Krankenversicherung AG					
	People	2 (of 6)	2 (of 6)	4 (of 8)	4 (of 10)
	Share in %	33.3	33.3	50.0	40.0
Gothaer Lebensversicherung AG					
	People	2 (of 6)	2 (of 6)	3 (of 7)	3 (of 9)
	Share in %	33.3	33.3	42.9	33.3
Gothaer Solutions GmbH					
	People	2 (of 6)	0 (of 2)	3 (of 11)	15 (of 64)
	Share in %	33.3	0.0	27.3	23.4

*) Target as at 30 June 2027

In the BarmeniaGothaer Group, gender diversity is a diversity management priority. Driven by the conviction that greater female representation in leadership positions strengthens the organization, diversity is firmly embedded in the Group strategy and will continue to be a key focus in its future strategic direction. To support this, a comprehensive programme of measures has been established, addressing the strategic action areas of mindset, recruitment, promotion and development, as well as working conditions. The programme is complemented by a broad range of initiatives designed to improve work-life balance (including parental leave guidance, childcare and support for carers).

To further promote the advancement of women into leadership roles going forward, the BarmeniaGothaer Group has set the strategic target of achieving at least 40 % female representation in management positions by the end of 2027. Alongside the targeted support and development of female talent (for example through talent forums and quotas in development programmes) and the refinement of recruitment and sourcing processes (such as active sourcing), the organization is also increasingly focusing on the creation of part-time leadership roles and job-sharing models. There are currently a total of six leadership tandems in place at BarmeniaGothaer. Events, exchange formats and awareness-raising initiatives within the women's network additionally support the achievement of the defined strategic goals.

The proactive approach to increasing female representation in management positions will remain in place going forward. It is envisaged that proven measures will be continued, new ones will be developed, a new management audit process will be set up and the entire management board will discuss developments. The Diversity, Equity & Inclusion team is tasked with increasing the visibility of this important issue throughout the Group and thus raising awareness both internally and externally.

The above statements simultaneously constitute the declarations required for compliance with section 289f paragraph 4 of the German Commercial Code (HGB).

Brand

A strong brand is a critical success factor for companies in the insurance industry. The decision to buy an intangible asset such as insurance cover is based on the confidence that customers have in the brand.

The new BarmeniaGothaer brand was developed in conjunction with the merger project. We have been operating under the new brand for more than a year now, and we can already look back on our first achievements. After a successful branding campaign and the development of a sound brand, we have already seen the first improvement in key brand metrics such as aided brand awareness. The BarmeniaGothaer brand, with its three brand values of humanity, passion and entrepreneurship, will become firmly established in the target groups over the coming years.

The successive roll-out of the new brand at key touchpoints is making good progress and ensuring the prompt visibility of the BarmeniaGothaer brand. During a transitional period, the two brands Barmenia and Gothaer will initially continue to exist alongside the new brand.

Code of conduct for sales and distribution

The success of our business depends to a large extent on the trust placed in us by our customers. Those customers, their needs and their expectations are therefore central to our sales and distribution activities. Insurance agents play an important and responsible role here as a link between customers and the insurance companies.

We therefore joined the two insurance initiatives “GDV Code of Conduct for the Sale of Insurance Products” and “gut beraten” from the outset and, since then, we have consistently implemented the relevant requirements as part of the compliance management system that has been communicated to all employees and agents. At the same time, we have implemented the requirements of the Insurance Distribution Directive (IDD), which became mandatory in Germany in February 2018. The GDV Code of Conduct has also been updated for alignment with the new legal framework.

As far as sales and distribution are concerned, the requirements of the GDV Code of Conduct are designed to ensure that customers are objectively informed and advised in their best interest so that they are in a position to make a well-informed decision. Special importance is thus attached to the advisory expertise and further training of agents, in whom we have traditionally made substantial investments.

Tariff change guideline

Freedom of choice and customized insurance cover are distinguishing features of private comprehensive health insurance. To help customers choose the tariff that meets their needs more accurately, the Association of Private Health Insurers has developed a tariff change guideline setting out clear and binding rules. The guideline supplements the statutory regulations that are already contained in section 204 of the German Insurance Contracts Act (VVG).

Both Barmenia Krankenversicherung AG and Gothaer Krankenversicherung AG have consistently implemented the guideline since its introduction. Our policyholders can avail themselves of personal, needs-based and objective customer service together with an analysis of the best tariff options.

The implemented compliance management system ensures observance of the guidelines for a transparent, customer-oriented tariff change and is audited by an independent auditor every three years. The auditor's certificate regularly confirms that both Barmenia Krankenversicherung AG and Gothaer Krankenversicherung AG deliver a high degree of tariff transparency and provide objective advice on changing tariffs.

Outlook for 2026

The economic framework in 2026

The global economy is projected to continue growing at a moderate pace of around 3 % in 2026. One of the main reasons for this is the import tariffs imposed by the USA. The delayed pass-through of these tariffs is likely to noticeably dampen both global trade and US growth, prompt the US Federal Reserve to make further interest rate cuts, which will further weaken the dollar. The German economy will be disproportionately affected by this due to the fact that it has an industry-orientated export structure. It will also be exposed to tough price competition from Chinese rivals in its global markets. Nevertheless, in its 2025/2026 annual report, the German Council of Economic Experts forecasts GDP growth accelerating to 0.9 %. Among other things, this projection takes into account the expansionary fiscal stimulus provided by the financial package for defence and infrastructure, which was adopted in March 2025.

There was a spirit of optimism in the capital markets in early 2026, driven primarily by the AI-led investment surge in the United States, on the one hand, and by expectations of substantial government spending on defence and infrastructure, on the other. The integration of artificial intelligence into manufacturing processes has the potential to significantly enhance productivity and, alongside the expansion of the necessary AI infrastructure, it could deliver a meaningful boost to economic growth. Additionally, the key interest rate cuts from the previous year are not expected to exert their full expansionary effect until 2026. There is only limited room for further monetary policy easing in the current year. Nevertheless, given the range of geopolitical risks affecting government bond markets, the yield curve is likely to remain volatile. Yields on ten-year German government bonds will probably fluctuate between 2.5 % and 3.3 %, while yields on ten-year US treasuries are likely to be in a range of 4.0 % to 5.0 %. Widening credit spreads and elevated volatility are expected for euro-denominated corporate bonds in the first half of 2026. Building on the strong performance of the previous year, corporate earnings growth is set to continue on the global equity markets in 2026. However, given the already elevated valuations, price gains are likely to be more modest than in the previous year. More volatile phases over the course of the year could be triggered by geopolitical developments, concerns about stretched valuations in the technology sector and the monetary policy stance of a potentially politicized US Federal Reserve.

Property markets continue to be shaped by two key factors – global conditions and economic developments – both of which remain highly relevant and influence transaction activity as well as occupier demand and the letting markets. At the same time, financing costs remain at a high level. Nevertheless, transaction volumes are expected to increase further across all asset classes, pointing to a gradual narrowing of the supply-demand gap. The performance of office and retail properties is divergent, depending on location, quality and sustainability criteria, with the “flight to quality” trend becoming increasingly pronounced, particularly in the office segment. Residential real estate – including sub-sectors such as student and senior housing – continues to experience an upswing, as does the logistics segment.

Developments in the insurance industry in 2026

Insurance industry as a whole

The German Council of Economic Experts has forecast moderate economic growth for Germany in 2026. Its 2025/2026 annual report dated November 2025 projects an increase in price-adjusted gross domestic product of 0.9 %. Growth is expected to be driven largely by increased government spending following the adoption of the financial package in March 2025 and by a higher number of working days on a calendar-adjusted basis. Consumer spending is projected to grow only moderately by 0.7 %. The unemployment rate is expected to decline slightly to 6.1 %. Consumer price inflation is forecast to stabilize at 2.1 %.

According to GDV forecasts, growth of single-premium life insurance business is likely to slow to a more moderate rate of 5.0 % in 2026 compared to the previous year. This outlook is based, on the one hand, on the assumption of a continued favourable interest rate environment, while on the other hand taking into account the high baseline level in 2025. Regular premiums are expected to decline by 0.7 %. Demographic ageing also means it is unlikely that positive inflows from new business will suffice to fully offset overall portfolio erosion. This leads to a forecast overall growth rate for life insurance in the narrower sense in 2026 of 1.2 %. The premium income trend in the private health insurance segment reflects the significant increase in benefit expenditure over recent years and premium adjustments are expected to be high on the agenda again in 2026. Accordingly, GDV forecasts growth in private health insurance premium income in the region of 10.5 % in 2026. In the property and casualty insurance line, premium growth is expected to lose momentum in 2026 after having been largely driven by inflation in the previous years. Motor insurance is a major contributor with forecast growth of 6.5 %. Overall, premium income in property and casualty insurance is projected to rise by 5.2 %. Taken together, this leads to a slightly lower overall year-over-year growth rate of 4.7 % for the insurance industry, bringing total premiums to € 265.5 billion in 2026.

Property and casualty insurance

The growth of premiums in the property and casualty insurance sector is expected to slow somewhat in 2026. The GDV is anticipating an increase of 5.2 %.

Premium income from private property insurance is expected to grow by 6.7 %. In the homeowners insurance line, the adjustment of premiums to bring them into line with labour cost developments and construction prices is slightly higher than in the previous year. This growth is likely to be supported by the continued increase in demand for natural hazards cover and an 8.0 % increase in homeowners insurance premium income is expected. A premium increase of 1.5 % is expected for householders insurance.

In motor insurance business, lower pressure to stabilize profits could slow the premium growth rate in 2026. However, the continued above-average price increases for spare parts and hourly rates in repair shops are likely to result in higher premiums. Overall, the projected premium growth in motor insurance is 6.5 %.

General liability insurance premium income could rise by 3.0 % in 2026, and accident insurance premium income by 1.0 %.

Life insurance

In 2026, GDV expects single-premium business to continue benefiting from a favourable interest rate environment. Accordingly, the association forecasts a more moderate growth rate of around 5.0 %. This assumption is based on the expectation that the current interest rate environment will persist and continue to provide supportive momentum for single-premium business. However, should geopolitical developments lead to a shift in central bank monetary policy, this could have a dampening effect on single-premium business. At the same time, demographic change will continue to influence both inflows and outflows in regular premium business. Demographic ageing also means it is unlikely that positive inflows from new business will suffice to fully offset overall portfolio erosion. Accordingly, an ongoing decline in income from regular premiums of 0.7 % is expected. In the case of life insurance in the narrower sense, the forecast growth rate for 2026 is 1.2 %.

Even if the direct effects of the planned pension reforms in 2026 are initially modest, the numerous policy decisions will nevertheless influence the outlook for life insurance business. The growing funding pressure on the statutory pension system, which is increasingly strained as the number of pension recipients rises faster than the number of contributors, plays a particularly important role. More and more people are having to – and choosing to – make supplementary private pension arrangements. Pension reforms are therefore essential to effectively address emerging pension gaps. In this context it will be necessary to focus on the further development of subsidized private supplementary pension provisions. GDV emphasizes, among other things, the need for a successor model to Riester with streamlined processes for life insurers and greater flexibility in guarantees, in order to ensure lifelong benefits and provide effective protection against longevity risks. Such a framework would better align private pension products with the evolving needs of savers and improve coordination with the statutory pension system.

Reform efforts in the area of occupational pension schemes are also part of these debates. The Second Occupational Pensions Strengthening Act (BRSG II) aims to increase the prevalence of occupational pension schemes, improve subsidy structures and open up the social partner model. GDV supports the fundamental idea behind the legislation in principle, but emphasizes that its success will depend largely on whether it can be practically implemented, particularly with regard to employer obligations, administrative processes and the role of life insurers as professional institutional investors.

Another reform policy instrument is the early-start pension, which is intended to enable early entry into subsidized, funded pensions by paying state contributions into an individually managed pension fund for children from the age of six onwards. GDV supports this approach, as it promotes financial education and early asset accumulation, but emphasizes the need for a simple and practicable design.

Health insurance

Premium adjustments will again be a key factor in private health insurance 2026. According to information from the Association of Private Health Insurers (PKV), premiums for around 60 % of comprehensively insured members could be increased by an average of 13 % at the turn of the year. Further adjustments to long-term care insurance contributions are expected, amounting to 6 % for those entitled to benefits and 16 % for those not entitled to benefits.

Rising healthcare and care costs, demographic trends and the increasing utilization of medical services are intensifying funding pressures across existing insurance systems, affecting not only private health insurance but the entire dual insurance framework. Current projections by the IGES Institute envisage that the contribution rate for statutory health insurance could rise to up to 23 % by 2035, with a total social security contribution burden of almost 50 % of gross wages.

Long-term care insurance, in particular, is increasingly at the centre of public debate on financing, co-payments and long-term sustainability. Against this backdrop, the federal government presented the most important findings of a federal-state working group at the end of 2025 with the so-called "Future Pact for Care", which serves as a collection of guidelines and ideas for possible reform steps in long-term care insurance. However, a comprehensive reform will be necessary in order to ensure the long-term sustainability of long-term care insurance, with a focus on personal responsibility, a stronger capital-funded approach and intergenerational fairness. In this context, the Association of Private Health Insurers highlights the importance of supplementary provision models. Private and occupational supplementary long-term care insurance products should be specifically promoted and supported by way of tax incentives in order to reliably cover the rising level of co-payments in long-term care. Another longer-term reform option under discussion is the introduction of a mandatory, capital-funded supplementary insurance scheme. This could cover a significant share of co-payments in the inpatient sector up to a defined deductible, thereby contributing to greater stability and improved intergenerational fairness within the care system.

Private health insurance can also contribute to the long-term stabilization of the healthcare system. By building up funded provisions for old age, it has the potential to contribute to securing the level of coverage and to moderating premium increases in old age. Private health insurance can therefore support the sustainable financing of supplementary benefits while at the same time partially relieving pressure on the pay-as-you-go system and contributing to greater intergenerational fairness in the health and care sector.

Proviso

The forecasts and estimates contained in this annual report are based on the information available to us in December 2025. They therefore do not take into account the effects of the war in the Middle East. The potential impacts of this conflict on our Group are explained in the Notes under "Significant events".

The following statements on our future business performance are generally subject to a higher degree of forecasting uncertainty due to the current geopolitical and economic environment. In addition, the outlook described below may be affected by developments in the capital markets, unanticipated major and accumulation losses, changes in legal, tax and demographic environments and changes in the competitive situation of the Group. Deviations can therefore not be ruled out.

General forecasts

The development of business for the BarmeniaGothaer Group largely depends on how the insurance market develops in a starkly changing market environment characterized by interest rate movements, a constant stream of new regulatory requirements, demographic change and a race to digitalize.

As part of the Growing Together programme, a joint Group strategy has been developed in order to provide our customers with even better holistic support and thus drive the expansion of profitable business segments. It will now be implemented in the coming years. The long-term focus is on systematic, stable and continuous value enhancement to strengthen the foundations of the Group.

We expect premium income for the BarmeniaGothaer Group in 2026 to be clearly higher than in the previous year. The projected growth will be made up of a moderate increase in property and casualty insurance premiums, and a high increase in premium income from health insurance. In contrast, a moderate decline in life insurance premiums is forecast.

Although the underwriting result net of reinsurance after adjustment of the equalization reserve in 2026 is expected to decline slightly, we expect investment income to improve significantly. Given these assumptions and a normalized tax expense, we anticipate a net profit for the year that is considerably higher than the previous year's level.

More detailed information is provided below.

Marketing

To respond to changes in customer behaviour driven by digitalization, a multi-channel management approach has been implemented at the sales interface with agents and customers. This enables close integration between direct sales and the agents in the sales organization, ensuring a consistent and high-quality (hybrid) customer experience.

Underwriting result

Property and casualty insurance

Our focus in the coming year will continue to be on stable and substantial revenue development. We anticipate dynamic premium growth in the coming year. In particular, we project strong growth in direct written business in 2026.

However, we expect a moderate downturn in premium income from reinsurance business assumed.

A significant rise in claims expenditure is expected and also linked to the higher premium income. We hedge the generally increasing risk of natural catastrophes with appropriate reinsurance programmes. Given our portfolio structure and the normalization of the natural hazards claim level, we expect the gross loss ratio to move slightly above the 2025 level in 2026.

Underwriting expenses will increase significantly in the coming year due to growth and investments. However, continued strong growth in premiums will offer an opportunity to ensure that the cost ratio for our customers only increases moderately.

Due to the level of claims forecast, the gross underwriting result will be considerably lower than in the previous year, while the gross combined ratio will rise to a significantly higher level than in the previous year. Taking the cost of reinsurance into account, we are projecting a markedly higher net underwriting result versus the previous year before adjustment of the equalization reserve. We are expecting to make further significant additions to the equalization reserve in the coming year.

Life insurance

The life insurance sector is currently operating in a challenging environment characterized by increasing volatility. During the year under review, political initiatives aimed at reforming pensions and stabilizing the pension system attracted significant attention. For the life insurance industry, this creates medium-term opportunities for additional new business momentum, while also placing demands on product design and operational processes. The economic impact will depend largely on the ultimate structure of the regulatory framework, the further clarification of which remains to be seen.

Nevertheless, we see growth potential in both the private and corporate customer segments. The "TogetherStrong" strategy developed in 2025 is therefore based on a diversified positioning comprising three core business areas: private pension, occupational pension and biometric products.

The potential in the corporate customer segment is further reinforced by the ongoing shortage of skilled labour and demographic change. In this context, retention and incentive instruments such as occupational insurance plans are becoming increasingly important. We believe we are very well positioned in both the occupational pension scheme segment and in the collective occupational disability insurance segment.

For 2026, we are aiming for the stable development of regular premiums. A strong decline in single premiums is expected in 2026, together with a moderate decline in overall gross premiums written.

In the area of life insurance, we expect a slight increase in both the acquisition cost ratio and the administrative cost ratio next year.

We also expect a significantly higher reversal of the additional interest reserve together with a significant increase in the total gross surpluses.

Health insurance

We anticipate the volume of new business in health insurance to remain at the previous year's level.

Persistently high cost inflation in the healthcare sector had a significant impact on premium adjustments as at 1 January 2026. This is one of the key drivers of high premium growth.

We also expect a significant increase in insurance claim expenditure in 2026. The assumption that health care providers will pass on some of their increased expenses to patients, and thus to health insurers, wherever possible, still holds true. With sustained strong premium growth, a loss ratio of approximately 80 % is again projected for 2026.

Underwriting expenses will continue to be shaped by investments in strategic gearing and thus increase significantly. Although the administrative cost ratio will increase moderately in 2026, we anticipate a perceptible decline in the acquisition cost ratio.

As a result, we will see a significant increase in the underwriting profit ratio in 2026. Overall, transfers to reserve for premium refunds in 2026 are expected to be significantly higher than in the previous year.

Investments

The focus of investment activities in the coming year will continue to be on selective risk-return optimization of the investment portfolio, so no major changes in asset allocation are planned. Overall, a moderately higher net return is anticipated in 2026.

Net income for the year

Based on the anticipated development of underwriting and investment income as well as a normalized tax expense in 2026, we expect the net profit for the year to be significantly higher than in the previous year.

Opportunities and risks of future developments

Risk-oriented management concept

The purpose of the risk management system is to identify and limit potential risks at an early stage to create scope for action that can help provide a long-term guarantee of existing and future success potential. To this end, corporate governance across the Group is geared to safety first and value-based management principles. The management board has approved risk guidelines to provide Group companies with a framework in which they can assume risks and conduct business. There are also internal and external standards regarding risk-bearing capacity to be met. Risk tolerance, i.e. the limit of permissible risk exposure, is defined with the following requirements in mind:

- From a regulatory perspective, minimum standards are in place to ensure that risk capital requirements are met at all times. This applies to both Pillar I (standard model) and Pillar II (company-specific total solvency capital requirement identified in the ORSA process) risk capital requirements.
- In addition, internal risk-based guidelines exist defining the framework for risk assumption. These are established individually for each company and form part of the business and risk strategy.
- From a rating perspective (financial strength rating), we seek to maintain a capital adequacy ratio that, in conjunction with the other rating factors, is sufficient for at least an A-category rating.

Risk management organization

The risk management department at BarmeniaGothaer AG has central responsibility for the risk management system. Central guidelines ensure that uniform standards are applied on a Group-wide basis. The Group risk management team also consults regularly with subsidiaries that have their own decentralized risk management systems in order to perform support and monitoring tasks.

Risk management is regarded as a process consisting of five phases:

- Risk identification
- Risk analysis
- Risk assessment and management
- Risk monitoring
- Risk reporting

The risk management process initially focuses on the risks quantified in the standard formula, which include market risk, underwriting risk, counter-party default risk and operational risk. In addition, specific risks are included in the analysis process via the risk inventory. Other risks, such as strategic, reputational and sustainability risks, are also taken into account in the risk profile.

The annual systematic inventory of risks includes a qualitative and quantitative assessment of the risk situation, various risk management measures and risk monitoring by the operative business units. To facilitate the identification of risks in risk inventories, decentral risk officers have been designated at the operative units. The criticality of the risks they report is determined by the amount of the expected loss and the probability of occurrence.

Key elements of risk management include, in particular, the regulatory ORSA process and the internal key figure-based limit model, which are used to identify undesirable developments at an early stage and to initiate appropriate measures.

An internal monitoring system (IMS) is in place to mitigate operational risks. The objective of the IMS is to prevent or reveal damage to assets and to ensure proper and reliable business operations and financial reporting. The IMS comprises both organizational security measures such as access authorizations, use of the four-eye principle or proxy arrangements, for example, and process-integrated and cross-company controls. A central compliance function and the actuarial function have also been set up as key functions in compliance with the Solvency II Directive.

Regular risk reporting and ad hoc reports on specific developments ensure the transparency of the risk situation and provide guidance for targeted risk management. Representatives of BarmeniaGothaer Asset Management AG, the actuarial functions and representatives of other specialist departments are members of the Group-level Risk Forum. Its responsibilities include monitoring risks from a Group perspective and further developing standard, Group-wide risk assessment and management methods and processes.

Risk management principles, methods, processes and responsibilities are documented in the Risk Management Guideline. BarmeniaGothaer's organizational structures and processes are fully compliant with the three Solvency II pillars. Compliance is regularly monitored and assessed by the Group audit unit. An audit of the risk early-warning system is also part of the annual financial statements audit performed by our auditors.

The risk management function is supported in the performance of its tasks, in particular, by the Group companies' actuarial departments and the middle/back office of BarmeniaGothaer Asset Management AG. The effectiveness of the risk management system, the checks and balances and the management and monitoring processes is subject to a continuous improvement process.

Opportunities and risks for the Group

Assumption of risk lies at the core of our insurance companies' business activities. At the same time, those business activities are a cradle for opportunities, which are analyzed by segment below.

The implications for the Group are as follows:

Property and casualty insurance

The BarmeniaGothaer Group writes insurance for both private and corporate clients, especially motor, liability, accident, property, engineering, transport, D&O and cyber insurance, mostly as direct business but also as indirect business. It therefore has a diversified risk portfolio. Major risks are analyzed and rated on the basis of the frequency with which they are expected to occur and the anticipated maximum scale of loss. Major risks are defined as risks that could have an existential or sustained negative impact on the Company's net assets, financial position and earnings. These risks are analyzed in detail, continuously monitored and proactively managed in the context of portfolio management. Risks are controlled and minimized by limit systems, underwriting guidelines, underwriting authorizations and the exclusion of specific risks. Regular risk reports are sent to the decision-makers by the risk management unit. They contain assessments of the current risk situation and information about any changes, as well as supplemental information about any new or recognized major risks.

We see opportunities to continue driving premium growth in increasingly dynamic market segments such as cyber insurance and surety insurance, as well as in established lines such as industrial liability and property insurance. These include public liability, financial loss liability and traditional property cover such as fire, storm and buildings insurance, where demand remains stable. The increasingly frequent incidence of extreme weather events will also continue to push up demand from both corporate and private customers for protection against property risks.

The effective use of Lean Six Sigma tools will enable us to continue elevating the satisfaction of our customers and to achieve efficiency gains through process improvements. Effectively-structured and stable processes form the foundation of reliable service quality and these measures therefore make a significant contribution to safeguarding our long-term performance. In addition, the increasing use of robotics solutions enables the efficient processing of standardized, repetitive transactions, allowing resources to be deployed more selectively towards more complex activities. Various projects for digitizing communications with customers and sales partners have been set up throughout the Group and are being stringently further developed. Modern, integrated communication channels are being created that shorten response times, simplify processes and lead to more efficient collaboration between all parties involved.

Underwriting risks

We expect that underwriting risk will be substantially and enduringly impacted by major natural losses in the future as a result of climate change. We will therefore continue to focus to a greater extent on reinsurance for natural events. Furthermore, the risk of natural hazards is countered by systematic use of ZÜRS, the zoning classification system developed by the GDV to identify exposure to natural hazards, as well as by arranging for each individual underwriting risk to be separately assessed by our risk engineers. This strategy also equips us to respond effectively to extreme natural events.

To limit premium and loss risk, we regularly monitor operations in the individual lines of insurance, check the individual and overall contribution margins of insurance relationships and verify the adequacy of underwriting provisions. As a result, we are able to adapt our tariffs and underwriting policy swiftly to changes in circumstances. General premium risk is reduced by a standardized product development process, binding acceptance and underwriting guidelines as well as authorization and competency rules. In new business, this allows us to adjust prices promptly to changing claims situations. In portfolio business, we can ensure risk-appropriate premiums with contractually agreed premium adjustments and index clauses, on the one hand, and with individual policy adjustments, on the other.

Our tariffs are calculated on the basis of actuarial models and provisions are established on the basis of HGB standards. The adequacy of loss reserves as well as reserve run-off are reviewed annually. We are thus able to guarantee the long-term fulfilment of our obligations. We create an equalization reserve to offset fluctuations. This is determined in accordance with the commercial law requirements for insurance.

In new business, underwriting practice is based on the underwriting guidelines in which our clearly structured, profit-oriented underwriting policy is documented. In addition, existing contracts with very poor claims histories are renegotiated as part of the renewal process. Compliance with underwriting guidelines is monitored by the use of special controlling instruments. We also have a comprehensive control system that identifies negative developments as well as deviations from projected figures, which enables us to take prompt action and counteract undesirable developments. It is supplemented by the risk management instruments of proactive claims management and reinsurance. To guard against major and accumulation losses as well as fluctuations in earnings, we pursue an active reinsurance policy. The effects of natural catastrophes, accumulation losses and major losses are substantially mitigated by the reinsurance structure. Good credit and company ratings are central criteria in the selection of reinsurers. In order to identify hazards and risks to earning capacity, we also use our internal risk model to model the impacts of different loss scenarios on our portfolio. In addition to this, measures are taken to keep the impacts on the gross side as low as possible. Tariffs are thus established as far as possible on the basis of actuarial methods. Our underwriting policy additionally envisages the targeted use of instruments such as self-insurance models, sublimits and coverage limitation.

In the private customer segment, competition for high-margin products is still intense. The situation is characterized by growing transparency of prices and conditions due to online comparison platforms as well as the undiminished high significance of online direct-to-consumer business and the consequent high willingness of customers to switch providers. Overall, underwriting margins are coming under increasing pressure. We respond to these market requirements with a profit-oriented policy on prices and conditions. End-to-end portfolio management enables us to monitor the portfolio continuously and to respond with individual measures to improve earnings in the case of policies with very poor claims histories.

Our corporate customer portfolio is well diversified in terms of lines and product mix, but naturally more exposed to individual risks and therefore noticeably more volatile than the private customer portfolio. We therefore ensure premiums that are commensurate with risks and responsible underwriting practices, with a particular focus on the continuous further training of our underwriters. For this purpose, we have implemented a professional training and young talent concept for underwriters. It allows us to maintain our high standards in underwriting and continuously improve our performance. Potential risks are additionally limited by binding underwriting guidelines and authorizations in each line of insurance. Due to the competitive dynamics in this segment, the product management team responsible for this area reviews the up-to-dateness of the underwriting guidelines and strict compliance with them as part of the annual audit. In the case of special and particularly large risks, we reduce exposure by involving other insurers as risk partners or concluding risk-specific facultative reinsurance contracts. One of our main success factors in the corporate customer segment is profit-oriented portfolio management, which also means that we steer clear of untenable risks and terminate unprofitable insurance portfolios.

Reinsurance

For the first time in several years a slight decline in reinsurance prices for property risks in natural hazard-exposed lines of business was observed at the time of reinsurance contract renewal in 2025 and, fortunately, this trend has continued. This became apparent during the year, as the scope of non-proportional natural hazard coverage was expanded. By the year-end, the reinsurers had also made more capacity available for reinsurance contracts that were previously difficult to place, such as fire excess-of-loss reinsurance and aggregate natural catastrophe reinsurance. The property and casualty insurers in the BarmeniaGothaer Group also benefited from this. In fact, the renewal of all reinsurance contracts for Group companies in the property and casualty insurance segment went smoothly and sufficient reinsurance capacity was secured for all lines of business.

Stepping up measures to improve the reinsured portfolios in the original business meant it was again possible to withdraw from or reduce quota share treaties and will make higher retentions for risks with higher premium quality possible in the future.

Contracts with limited risk transfer still exist. They are structured to spread the adverse frequency of NatCat events over a period of several years, thus cushioning the corresponding impact on earnings. Cover for some lines is purchased together by property and casualty insurers in the BarmeniaGothaer Group in order to benefit from the better conditions that can be achieved through bundling.

BarmeniaGothaer continues to monitor the opportunities and possibilities associated with a risk transfer to the capital market, particularly in view of the market hardening that has been going on for several years in the reinsurance of lines exposed to natural hazards. Despite the further convergence of structures and prices for non-traditional and conventional reinsurance solutions and noticeably higher liquidity in the non-traditional segment, conventional reinsurance again proved to be the solution that made more economic sense. If that should change, corresponding restructuring would be possible thanks largely to know-how sharing with partners in the international insurance network Eurapco that have already been successfully practising alternative risk transfer for some years.

In connection with the renewal processes that typically exist in the industry, there is a possible but very unlikely risk of a temporal mismatch between primary insurance and reinsurance cover. This is due to the fact that negotiation of a reinsurance contract does not normally begin until the primary insurer has already confirmed cover to policyholders for the coming year and/or can no longer cancel it. In the historically unprecedented event of a total collapse of the reinsurance market, e.g. in the case of a global financial crisis coinciding with the occurrence of an extremely high incidence of natural catastrophes, our risk exposure would significantly increase.

As regards the concentration of insurance risks, a distinction is made between various scenarios, such as loss events that produce infrequent but large individual claims and events that result in a large number of individual claims (accumulation losses). Accumulation losses can affect several lines of insurance and/or geographical areas. Sufficient reinsurance protection is in place for all scenarios. In addition, potential scenarios are constantly monitored.

Claims

The following chart shows a ten-year summary of the changes in loss ratios and run-off results across all areas of direct domestic business net of reinsurance of the Group’s largest property and casualty insurer Gothaer Allgemeine Versicherung AG:

Claims		in %
	Loss ratio after run-off	Run-off results of initial reserves
2016	67.4	9.7
2017	62.9	12.3
2018	69.5	11.6
2019	64.7	11.2
2020	64.3	8.3
2021	71.3	9.6
2022	68.7	10.7
2023	70.7	8.5
2024	72.6	6.1
2025	67.2	5.1

Risks arising from reinsurance assumed

Within the BarmeniaGothaer Group, Gothaer Allgemeine Versicherung AG is the main reinsurance provider for small property and casualty insurers. This predominantly relates to private customer business and only to a small extent to SME business. Terms are reviewed in annually and are in line with current market conditions.

Risks from fronting agreements

BarmeniaGothaer acts as a fronting partner in Germany for selected foreign companies or captives, i.e. it underwrites a risk and cedes it in full to the fronting partner by way of reinsurance. If one of these partners were unable or unwilling to meet their contractual obligations under the reinsurance contract, BarmeniaGothaer would in some cases face high liabilities due to the fact that this business is not ceded under obligatory reinsurance contracts. To avoid exposure to incalculable risks, a body of rules has been created, setting out which partners may be worked with, the security check process and the maximum liability that may be assumed per line.

We only cede reinsurance to high-class reinsurers. 90 % of our reinsurance business (ceded reinsurance premiums) is ceded to reinsurers with a rating of A- or better. Accounts receivable in connection with assumed and ceded reinsurance business totalled € 115.5 million at balance sheet date. A breakdown of receivables for ceded reinsurance business by rating class is as follows:

Breakdown by rating class	€ million
AA	75.4
A	35.3
Not rated	0.8
Total	111.5

As a result of our security policy, loss of receivables in past years has been insignificant.

Life insurance

Fulfilment of interest rate guarantees, some of which are high and have been in place for several decades, is a key factor defining the general risk situation for life insurers. In the eurozone, inflation is stabilizing at a level that provides the European Central Bank with greater scope for monetary policy, resulting in several reductions in key interest rates to as low as 2 %.

Although ongoing economic uncertainties linked to the impact of geopolitical conflicts continue to shape the business environment for life insurers, new business development remains stable. The significant increase in sales of pension products is particularly encouraging, with strong growth recorded in this segment. There was also a perceptible upturn in single-premium business, which made a substantial contribution to the positive overall result. By contrast, sales of biometric products are declining.

Capital-efficient pension products offer an opportunity to generate sustainable income. In addition to the regular revision and refinement of existing products, further innovative new developments are planned with a view to expanding the product range in this segment. These products will be specially designed to meet the requirements of Solvency II. In addition, a new unit-linked pension insurance product was launched and is contributing significantly to the positive business development in the pensions segment.

Despite declining sales of biometric products, the Group remains well positioned in this segment. In particular, occupational disability insurance is a strong and well-established product line that is continuously adapted to changing customer needs and market requirements. Basic disability insurance is additionally offered in the biometric segment. Together, these two product lines provide broad, needs-based coverage for biometric risks and underline the Group's strong market position in this segment.

Synergies associated with innovative product concepts and the strong sales organization resulting from the merger of Barmenia with the Gothaer Insurance Group support our positive business outlook.

Legal risks may arise in the future as a result of changes in case law and tighter regulation.

Underwriting risks

Underwriting risks in life insurance include premium/insurance benefit risk, which is the risk that exists where guaranteed benefits that are dependent on future developments need to be provided in return for a predefined, unchanging premium.

As a general rule, underwriting risks are met by calculating rates using actuarial methods and by applying underwriting guidelines commensurate with risk. Compliance is systematically monitored through the use of controlling instruments and early-warning systems that identify trends and negative developments in good time. The adequacy of loss reserves remains subject to regular actuarial verification. In addition, appropriate reinsurance treaties are in place to limit the risks arising from major and accumulation losses. The risks described below are particularly significant for life insurance.

Biometric risks – Adequacy of biometric actuarial assumptions

In the estimation of the responsible actuary, the policy reserves in place provide sufficient safety margins.

With regard to the (supplementary) occupational disability policy portfolio, reviews focus particularly on verifying that policy reserves are at least equal to the reference reserve mandated by the Federal Financial Supervisory Authority (BaFin).

In the case of policy reserves for unisex policies, regular checks are conducted to establish whether actual gender breakdown is in line with the breakdown anticipated. In the estimation of the responsible actuary, the individual rates calculated provide sufficient safety margins. If that perception were to change in the future, additional reserves would need to be formed.

Cancellation risk – adequacy of cancellation probability assumptions

As a matter of principle, cancellation probability is not taken into account in the calculation of premiums. We are countering the year-on-year increase in the cancellation rate with various measures and particularly focusing our efforts on tailoring our product range even more flexibly to customer requirements. We continue to monitor cancellation trends closely, particularly in light of the continuing overall economic uncertainty.

Interest guarantee risk

For the German life insurance industry and thus also for the Gothaer Lebensversicherung AG, risks arise in connection with the high interest rate guarantees in life insurance products, which generally extend over several decades. Even the improved interest rates makes little difference here because the current good returns on new investments affect only a relatively small minority of total investments.

At the main life insurer of the Group, Gothaer Lebensversicherung AG, the current average yield of investments at the end of 2025 was 2.00 % and thus below the average actuarial interest rate of 2.63 %. It should be noted here, however, that because of the additional interest reserves formed in the past, the actual expected return on capital, at 1.37 %, is significantly lower. We gear our investments to the maturity dates of our liabilities and take account of the Company's risk-bearing capacity. At the same time, the primary focus is on long-term generation of stable earnings.

Additional interest reserves for Gothaer Lebensversicherung AG were reduced in the year under review by a sum of € 95.3 million. As a result,the additional interest reserve at year-end totalled € 1,429.8 million. Additional interest reserves are calculated, in part, on the basis of cancellation and capital settlement probabilities with appropriate safety loading. If the level of interest rates is sustained, further reversals can also be anticipated in the coming years. This successive reduction of additional interest reserves is already taken into account in projections.

At Gothaer Pensionskasse AG, there will be a slight reversal of the additional interest reserve totalling € 0.2 million for the first time in 2025. For the existing portfolio, the procedure approved by BaFin on 8 December 2025 was taken into account. This increased the aggregate additional interest reserve for Gothaer Pensionskasse AG at year-end to € 203.4 million. The additional interest reserve will continue to decrease in the coming years in line with interest rate environment developments.

Growth risk

The continuing economic uncertainty due to geopolitical changes and conflicts could have a negative impact on the future development of new business. This applies not only to long-term customer relationships, but also to the now significantly increased investment of single premiums, which continue to face strong competition from the products of other financial service providers.

Growth opportunities are offered by the further development of Gothaer Lebensversicherung AG's innovative and capital-efficient pension products – most recently through the introduction of a new, significantly improved unit-linked pension insurance product, as well as the revision of our biometric product range.

The strong consolidation of the sales organization in connection with the merger of Gothaer with Barmenia also improves new business prospects.

Health insurance

The market and prospects of development for private health insurance are defined to a large extent by the political and legal regulatory environment. The growth prospects for supplemental insurance remain good. For companies, the challenge is to adjust appropriately in terms of sales channels, cooperative ventures and administrative processes.

An opportunity is offered by demographic change and the skilled worker shortage connected with it. Companies are trying to retain employees and attract new ones by offering attractive working conditions. To this end, companies are increasingly turning to company health insurance. This trend can offer us considerable advantages. We also recorded a significant increase in supplementary insurance by type of claim.

In addition, Gothaer Krankenversicherung AG is to be merged with Barmenia Krankenversicherung AG as swiftly as possible from a regulatory and technical perspective in order to achieve greater market impact as a large, efficient risk carrier.

As in the previous year, an increase in claim payments can be observed in the private health insurance market as a whole. This is a development that also affects us and we are continuously monitoring its course.

Sector-wide pending lawsuits against the effectiveness of premium adjustments have significantly declined. The formal requirements set out by the Federal Court of Justice for the notification of premium adjustments have been fulfilled for many years, so lawsuits that are based on them are unlikely to succeed. Instead, we are closely monitoring the legal and actuarial implications of the sweeping substantive objections that are raised.

Underwriting risks

The most significant underwriting risks include covering the actuarial interest rate and cancellation risk. These risks have a major bearing on the ability to allocate adequate reserve for premium refunds and thus have the funds available to lessen the impact of the development of premiums for those we insure.

We continue to counter these risks with rates based on actuarial principles, selective underwriting and professional benefit and health management as well as by the use of controlling tools and early-warning systems. One particularly noticeable development here is the appreciable growth of the non-SLT tariff portfolio in recent years. The adequacy of loss reserves remains subject to regular actuarial verification.

High premium adjustments or political changes are causing an increased departure of good and mostly young risks, as well as a decline in new business, resulting in a negative portfolio composition. This could increase the extent of future premium adjustments. Premium refund reserve policy is the key control measure here. With adequate financial resources, high premium adjustments can be prevented and an increase in cancellations thus avoided. For this reason, special attention is paid to the development of reserve for premium refunds. To ease the pressure on the reserve for premium refunds, the customary long-term premium capping arrangements in place are supplemented by the deployment of funds for the granting of temporary financing of the actually required additional amounts or tariff bonuses at Barmenia Krankenversicherung AG, and a premium limit that is reset each year at Gothaer Krankenversicherung AG. The allocation to reserves for profit-related premium refunds was affected by a significant increase in insurance claim expenditure at the Group health insurers in 2025. The increase was partly compensated by the good investment results.

The actuarial interest rate, one of the most important bases for calculation in private health insurance, is dependent upon developments in the capital markets. This fact is taken into account through the use of professional tools for analyzing investments and harnessing the findings for a more focused investment strategy as well as by the regular performance of extrapolations. Despite the sideways movement of interest rates, however, the probability that the net target yield will not be achieved still exists. Investment strategy is therefore focused on a reasonable risk-return ratio coupled with a high probability of guaranteed actuarial interest being achieved. The current developments in the capital market as well as the possible implications for investment were subjected to close scrutiny. The actuarial interest rates of the two risk carriers were adjusted slightly for 2026. It should be noted here that actuarial interest rate adjustments can only be made in tariffs that are affected by premium adjustments and an insufficient actuarial interest rate does not trigger a review of actuarial assumptions. The actuarial interest rate is reviewed annually by a method used to calculate the actuarial corporate interest rate (AUZ).

Financial risks in health insurance can result from the occurrence of major and accumulation losses. The development of major losses is analyzed regularly. The resulting risks can be effectively mitigated through premium adjustments or reinsurance arrangements.

Loss of receivables risk

Loss of receivables risk in health insurance results largely from the statutory requirement that prevents an insurer from terminating a comprehensive health contract with a defaulting policyholder. Policyholders defaulting on premiums must be switched to the so-called emergency tariff (Notlagentarif). The monthly premium payable for the benefits covered by the emergency tariff is significantly lower than the regular tariff.

Accounts receivable from policyholders and insurance agents in connection with direct written insurance business at Gothaer Allgemeine Versicherung AG, Gothaer Lebensversicherung AG, Barmenia Krankenversicherung AG and Gothaer Krankenversicherung AG totalled € 274.4 million at balance sheet date. Of the receivables managed in our central collection systems, the due date for € 103.2 million of the receivables is more than 90 days in the past. The average collection loss (unsuccessful court orders) in the last three years was € 12.4 million, which is an average of 0.2 % of the gross premiums written.

Investment risks

Risk strategy

The risk strategy for investments is derived directly from the respective business strategies of the risk carriers within the BarmeniaGothaer Group. At its heart is the guarantee of the relevant risk carrier's risk-bearing capacity for its selected risk tolerance, which needs to be viewed in direct relation to capitalization, equity requirements under Solvency II and the target rating sought. Investment risk strategy is embedded in a risk-adjusted management policy that takes account of potential earnings opportunities against the backdrop of any risks. This can only be achieved with an effective risk management system employing modern control systems to meet regulatory requirements, on the one hand, and by ensuring that additional own – and in some cases more restrictive – risk limits are also observed, on the other. To ensure a healthy mix and spread and avoid excessive concentrations of risks, the risk carriers of the BarmeniaGothaer Group continue to attach great importance to broad diversification within and across the various asset classes.

Risk situation and management

- Market change risk

Investments are exposed to the risk of possible changes in value due to fluctuations in interest rates, share prices or exchange rates in the international financial markets. For each of these classes of risk, market price risk management is performed at the relevant risk carrier level and is supported by regular stochastic and deterministic model calculations. At regular intervals, the relevant risk carrier's investment portfolio is subjected to stress scenarios in order to measure risk potential.

A simulation of market value changes within a month on the balance sheet date showed the following:

Interest rate und spread stress			
	Modified Duration	Stress factor in %	Change in market value € million
Interest rate instruments	10.0	0.3	-756.1
Credit instruments	4.8	0.8	-249.3
Other debt investments	1.7	0.8	-30.3

Equity stress			
	Beta faktor	Stress factor in %	Change in market value € million
Equities	1.0	-12.0	-90.9
Infrastructure	0.6	-7.2	-196.9
Strategic participations	1.0	-12.0	-105.1
Private equity	0.8	-9.6	-187.2
Real estate	0.7	-8.4	-397.9
Natural capital	0.8	-9.6	-13.1

The interest rate and spread stress is based on two standard deviations of the changes in historical monthly interest rates and spreads. For fixed-interest securities and alternative debt securities, interest rate sensitivity is measured by modified duration. The spread stress is applied to credit instruments and other debt investments. The equity stress is based on two standard deviations of the historical monthly log returns on Eurostoxx50. Stresses for alternative equity positions and natural capital are adjusted by applying beta factors.

Exchange rate risk continues to be almost fully hedged by forward exchange contracts.

- Credit risk

Credit risk is the risk of insolvency or late payment, and it also includes the risk of a negative change in the creditworthiness of a debtor or issuer. For the purpose of risk management, bonds are only acquired when a qualified and cross-checked assessment of creditworthiness by external agencies or a qualified internal risk rating is available. Credit risks are also broadly diversified to avoid concentration risks. In addition to the regulatory requirements, there are more restrictive internal limits that go above and beyond these requirements, which limit the credit risk and concentration risk at the individual security, issuer and portfolio level to an appropriate extent.

All critical names are constantly monitored by both the front and middle office teams of BarmeniaGothaer Asset Management AG. In addition, the front office team regularly prepares credit analyses for securities that have come under pressure following downgrades or market valuations during the year in order to verify their recoverability. If these analyses indicate that the value of the security is not sustainable, a write-down to the fair value or market value is recognized at the individual security level. Such value adjustments in the financial year were negligible.

The distribution of ratings within the fixed-interest portfolio is as follows:

Breakdown by rating class		in %
	2025	**2024**
AAA	24.9	21.7
AA+	10.4	13.1
AA	4.8	3.9
AA-	5.2	15.3
A+	17.9	8.7
A	7.6	5.6
A-	9.3	9.9
BBB+	6.7	4.2
BBB	5.6	8.4
BBB-	2.2	3.7
Speculative Grade (BB+ to D)	3.7	3.0
Not rated	1.7	2.5

- Liquidity risk

Liquidity risk refers to the risk of not being able to obtain the required funds, or only being able to do so at a higher cost.

In accordance with our liquidity risk management concept we regularly analyze liquidity sources and coverage ratios and, in particular, we carry out liquidity stress tests. A functional liquidity planning and control system is also central to effective investment management. Group-wide liquidity planning, which encompasses both investment and underwriting, ensures precise day-by-day projection of cash balances for the relevant risk carriers. When payment peaks are indicated, timely countermeasures can be taken. Moreover, investment needs can be identified in good time.

As part of the ALM analyses, the underwriting commitment flows are compared with the investment planning liquidity flows in a projection of at least five years. No liquidity bottleneck is foreseeable in any of the projected years.

Operational and other risks

IT risks

Due to the progressing digitization of business processes, the availability and quality of central IT services are becoming increasingly important for BarmeniaGothaer. In addition to the opportunities offered by digitization, the risks associated with IT dependency are also increasing, making risk management a central consideration. In this context, risks are considered that may arise, for example, from inadequate information technology, as well as project-related risks.

The merger of the two insurance groups means that it is now necessary to further harmonize and consolidate two IT environments and IT service organizations. IT system consolidation will be associated with opportunities through the pooling of skills, capacities and abilities, and it will also generate medium- to long-term cost reduction potential.

Until then, we will continue to explicitly mitigate the potential risks of the two legacy IT environments. This is being done specifically as part of a new, overarching corporate strategy, which has replaced the previous post-merger integration project. Existing dependencies and consolidation opportunities are taken into account and synergy effects and opportunities are developed through a forward-looking approach to all risk minimization measures.

The continuous monitoring and assessment of the threat situation, together with appropriate protective measures, are further key aspects of central information risk management. Risk management is performed centrally within the framework of a Group-wide information security management system (ISMS). The focus of the ISMS is on ensuring business process continuity by way of the risk-oriented protection of the confidentiality, integrity, availability and authenticity of the information assets involved. To improve cyber resilience the ISMS is aligned with the current state of the art and other recognized standards.

According to our findings, BarmeniaGothaer generally ensures compliance with the Digital Operational Resilience Act of the European and national financial services supervisory authorities (Regulation (EU) 2022/2554 of 14 December 2022) and other legal requirements in this way. We also fundamentally guarantee compliance with the provisions of the German Federal Data Protection Act (Bundesdatenschutzgesetz) and the code of conduct ("Verhaltensregeln für den Umgang mit personenbezogenen Daten durch die deutsche Versicherungswirtschaft") agreed by representatives of data protection agencies, consumer watchdog Verbraucherzentrale Bundesverband e. V. and the insurance industry to raise data protection standards.

The effectiveness of the ISMS is ensured by regular and ad hoc internal and external audits. Reporting on risk management, cyber resilience and significant events makes it possible for risk-minimizing measures to be managed in a similar way and in accordance with regulatory requirements. Furthermore, an external audit and certification to ISO/IEC 27001 is carried out annually.

HR risks

The management of HR risks (scarcity, exit, motivation, adaptation and loyalty risks) and the identification and exploitation of opportunities are important elements of BarmeniaGothaer HR management.

Due to the merger of Barmenia and Gothaer, the HR department has merged different data sources and created new data collection tools and reports. Important reference points included internal change processes, the economic situation and external factors such as market development, digitalization and demographic trends. HR issues of primary importance at present are as follows:

- Successful structuring and support of the post-merger integration process, including the transfer of personnel to BarmeniaGothaer AG;
- Employee recruitment and retention, including the prevention of unwanted turnover, particularly as a result of the merger;
- Ensuring the health and safety of employees;
- Securing critical skills to safeguard BarmeniaGothaer's future;
- Strengthening BarmeniaGothaer's capacity for change.

BarmeniaGothaer's HR management team has a comprehensive set of analytical instruments at its disposal for measuring, assessing and managing risks. Both companies bring a wealth of methods to the table, which will be consolidated as part of the PMI process. The data and analyses thus generated are important HR tools. At the same time, the managers of the specialist departments are key players in HR risk management. The HR department supports them in this role by providing data (e.g. in the form of cockpits) and by conducting joint analyses and activities (e.g. quantitative and qualitative analyses for demographic risk management).

The risks of adjustment associated with the merger and the change processes within the companies are being monitored very closely by way of Group Dialogue (Gothaer) and eNPS (Barmenia), as well as relevant follow-up surveys. This permits a differentiated analysis of the views of employees and management on matters such as strategy, customer orientation, leadership, cooperation and sustainable commitment. A so-called “mood barometer” is used as an additional merger-related analytical tool. It analyzes perceptions of the merger among the workforce at regular intervals (quarterly).

Scarcity risks in connection with the acquisition of external know-how carriers are primarily addressed by appropriate HR marketing tools. In 2025, the new joint employer brand was developed on the basis of market research data and the Group strategy which involved many employees across all lines of business. It will be launched in the first half of 2026. At the same time, we attempt to counter this risk with in-house development programmes. Candidate management data analysis and employer attractiveness audits are further key tools for scarcity risk management.

In light of the merger, the HR department has taken the risk of unwanted personnel turnover as an opportunity to establish a very detailed employee turnover monitoring system. All employee resignations in each month are initially recorded and then reviewed to identify clusters affecting certain departments, divisions or companies. The HR department has also established two personnel turnover audit instruments: anonymous electronic exit surveys and personal exit interviews with employees who have handed in their resignations. The results of these quantitative and qualitative analyses are presented in a regular and comprehensive report to the management board.

Demographic change management is particularly relevant because it is not only increasing the number of age-related exits, but also reducing the number of qualified applicants available in the external labour market. It therefore fundamentally increases the Company’s exposure to employee scarcity and exit risks. BarmeniaGothaer long ago identified these risks both internally (e.g. by way of scenario mapping) and externally (e.g. by taking part in employer ranking programmes) and thus has an extensive body of data at its disposal for risk management purposes. BarmeniaGothaer’s optimized employer marketing activities as well as projects such as “Frauen in Führung” (Women in Leadership) also help to counter the above-described risks.

Following the merger of the former Barmenia and Gothaer insurance groups, the majority of employees will be consolidated within BarmeniaGothaer AG, bringing together the previous strengths and identities while fostering the development of a unified corporate culture. At the same time, this enables holistic solutions for our customers, fosters cross-organizational collaboration and establishes us as an attractive employer that offers long-term development opportunities.

Regulatory compliance of financial statements

Accounting controls have been set up and other organizational arrangements made to guarantee the regulatory compliance of the annual and consolidated financial statements. The organizational arrangements include, in particular, our accounting principles, the clear assignment of responsibilities for accounting systems and data interfaces, detailed time scheduling and monitoring as well as regular data base backups. Key components of the internal control system are consistent compliance with the principle of dual control, unambiguous authorization rules and checks and the clear assignment of responsibility for the accounting systems. Moreover, the departments involved in the reporting process are integrated in the BarmeniaGothaer Group risk management system. Verification of these components is performed by the internal audit unit. Legislation monitoring and regular personnel development and training programmes allow us to respond to challenges arising from changes in accounting rules. These currently include the impending changes to the rules on non-financial reporting contained in the Corporate Sustainability Reporting Directive (CSRD).

Legal risks

Insurance companies have always been subject to stringent regulation due to their high economic and societal importance.

Since 2016, the European supervisory framework Solvency II has provided a rigorous regulatory environment for companies, ensuring a high level of financial stability in the industry and safeguarding the assets and benefit entitlements of policyholders, even in extreme scenarios. With the publication of its Delegated Regulation in October 2025, the EU Commission has brought the long-running Solvency II review process to its final stage.

The primary objective is to modernize and, in part, simplify regulatory practices for insurers, while simultaneously enhancing risk sensitivity and placing particular emphasis on climate and sustainability risks. From 2027, this is expected to lead to various adjustments, especially concerning the calculation and management of capital requirements.

With the revision of the Minimum Requirements under Supervisory Law on the System of Governance of Insurance Undertakings (MaGo) in summer 2025, BaFin strengthened its supervisory expectations overall and introduced several new key provisions, including provisions on the future management of sustainability risks.

Reflecting the increasingly digitalized world, various regulations that focus on risks in the IT/digital sector play a dominant role. These include DORA (Digital Operational Resilience Act) and the AI Regulation.

Money laundering

To prevent money laundering and terrorist financing by companies subject to the Money Laundering Act, statutory safeguards have been established for life insurance products, refund-of-premium accident insurance and loans with insurance companies, supplemented by internal safeguards derived from risk analyses, ensuring compliance with customer due diligence obligations. To ensure the effectiveness of these measures, clear principles, procedures and controls have been established and documented, and are regularly monitored for their functionality and suitability. This approach helps to mitigate the overall external risk of money laundering and terrorist financing.

Business Continuity Management

BarmeniaGothaer has an established and effective business continuity management (BCM) system that is continuously evolving and being adapted to the current risk situation. After the merger of Barmenia and Gothaer, the focus is on harmonizing BCM structures and processes at the Wuppertal and Cologne sites to ensure a consistent and efficient BCM system. During the reporting period, DORA-relevant crisis scenarios – including cyberattacks and insider threats – were practised more intensively and the resulting insights incorporated into BCM planning. In addition, organization-wide emergency and crisis team exercises were conducted to test processes in their new configuration and further strengthen collaboration between the two organizational units. Targeted crisis management plans ensure that BarmeniaGothaer can maintain operational readiness, comply with regulatory requirements and protect employees. Existing structures and processes are continuously optimized to support continuous improvement.

Summary of the risk situation

In the area of property and casualty insurance, the BarmeniaGothaer Group is both well capitalized and highly diversified in terms of products and business segments. This, in conjunction with a good market positioning, disciplined business practices and a sufficiently conservative risk policy, ensures an adequate risk-bearing capacity. The main risk identified comes from natural catastrophes. We hedge this risk with selective reinsurance contracts.

In the area of life insurance, the focus of the BarmeniaGothaer Group encompasses biometrics and modern and capital-efficient private and occupational pension insurance products. Demand for these products as a supplement to statutory pension insurance is increasing, particularly among younger generations. This is reflected in the sharp rise in demand for unit-linked pension insurance compared to the previous year.

Private health insurance is very dependent on the political environment. As in the life insurance segment, interest change risk is also a major risk in health insurance. A fall in investment income could lead to more extensive premium adjustments, which could in turn have negative impacts on new business.

Risks are controlled on the basis of quantitative and qualitative analyses. The previously described control mechanisms, instruments and analytical processes ensure effective risk management. We thus create a stable risk profile with an appropriate time horizon. This assessment is supported, amongst other things, by the following factors:

The BarmeniaGothaer Group fulfils the regulatory solvency requirements set out in the German Insurance Supervision Act (VAG). The available capital exceeds the solvency requirements. A detailed description of those requirements and the way they are met by the BarmeniaGothaer Group is found in the Solvency and Financial Condition Report (SFCR), which is also published on the website (www.barmeniagothaer.de).

In 2025 S&P Global Ratings reaffirmed the financial strength rating of “A” with a “positive outlook” for Gothaer Allgemeine Versicherung AG, Gothaer Lebensversicherung AG and Gothaer Krankenversicherung AG. S&P highlighted the Group’s high resilience and good capitalization, as well as the strong competitive positioning, the diversified product portfolio and the broad distribution channel network.

At the time the financial statements were prepared, nothing was seen in the risk situation of the Group that might jeopardize the fulfilment of commitments assumed under insurance contracts.

Non-financial Group statement

The section "Non-financial Group statement" was only published in German in the German Group Annual Report.

Consolidated Statement of Financial Position as at 31 December 2025

Assets

						€ thousand
					2025	2024
A.	**Intangible assets**					
I.		Internally generated concessions, industrial property rights, similar rights and assets		20,180		19,432
II.		Acquired concessions, industrial property rights, similar rights and assets as well as licences for such rights and assets		890,543		846,134
III.		Payments in advance		59,605		98,247
					970,328	963,813
B.	**Investments**					
I.		Real estate, real estate rights and buildings, including buildings on third-party land		589,156		632,435
II.		Investments in affiliated companies and participations				
	1.	Shares in affiliated companies	96,273			110,824
	2.	Loans to affiliated companies	9,540			10,400
	3.	Shares in joint ventures and associated companies	109,115			138,134
	4.	Participations	474,536			440,286
	5.	Loans to participations	8,794			6,124
				698,258		705,768
III.		Other investments				
	1.	Shares, investments in unit trusts and funds and other non-fixed-interest securities	36,374,511			34,827,495
	2.	Bearer bonds and other fixed-interest securities	7,545,264			6,852,281
	3.	Mortgages, liens on real property and annuities	1,539,522			1,569,318
	4.	Other loans	3,604,758			3,982,573
	5.	Bank deposits	708,502			883,600
	6.	Miscellaneous investments	4,334			415
				49,776,892		48,115,682
IV.		Deposits made in connection with reinsurance business assumed		694		750
					51,065,000	49,454,636
C.	**Investments held for unit-linked life insurance policies**				5,555,506	5,057,199

					€ thousand
				2025	**2024**
D.	**Accounts receivable**				
	I. Accounts receivable in connection with direct insurance business from:				
	1. Policyholders	280,630			303,445
	2. Insurance agents	150,720			137,940
			431,351		441,385
	II. Accounts receivable in connection with reinsurance business		115,489		79,547
	of which from associated companies: € 2,050 thousand (PY: € 1,814 thousand)				
	III. Other accounts receivable		376,467		507,158
	of which from affiliated companies: € 20,717 thousand (PY: € 25,993 thousand)				
	of which from associated companies: € 926 thousand (PY: € 627 thousand)				
	of which from participations: € 11 thousand (PY: € 74 thousand)				
				923,307	1,028,090
E.	**Other assets**				
	I. Tangible assets and inventories		53,994		57,678
	II. Current credit balances with banks, checks and cash on hand		206,322		247,126
	III. Miscellaneous assets		86,631		11,562
				346,947	316,366
F.	**Prepaid expenses**				
	I. Prepaid interest and rent		157,346		154,814
	II. Other prepaid expenses		41,130		38,829
				198,475	193,643
G.	**Deferred tax assets**			368,583	404,721
Total assets				**59,428,145**	**57,418,469**

Equity and liabilities

						€ thousand
					2025	**2024**
A.	**Equity**					
	I.	Subscribed capital		474,258		474,258
	II.	Capital reserve		957,889		957,889
	III.	Revenue reserve				
		1. Statutory reserve	818			818
		2. Other revenue reserves	430,293			437,630
				431,111		438,448
	IV.	Consolidated net income for the year		101,313		15,451
	V.	Minority interests		104,737		104,420
					2,069,308	1,990,466
B.	**Difference arising from equity consolidation**				343,136	331,725
C.	**Subordinate liabilities**				327,046	427,046
D.	**Underwriting reserves**					
	I.	Unearned premiums				
		1. Gross amount	782,334			735,957
		2. less: amounts ceded	124,464			113,973
				657,870		621,984
	II.	Aggregate policy reserves				
		1. Gross amount	42,331,913			41,363,509
		2. less: amounts ceded	383,576			377,714
				41,948,337		40,985,795
	III.	Reserve for outstanding claims				
		1. Gross amount	4,710,192			4,557,735
		2. less: amounts ceded	677,568			746,759
				4,032,624		3,810,977
	IV.	Reserve for performance-related and non-performance-related premium refunds				
		1. Gross amount	1,386,690			1,428,601
		2. less: amounts ceded	196			246
				1,386,493		1,428,355
	V.	Equalization reserves and similar reserves		515,467		444,135
	VI.	Other underwriting reserves				
		1. Gross amount	40,996			39,106
		2. less: amounts ceded	-6,585			-6,060
				47,582		45,166
					48,588,373	47,336,412

						€ thousand
					2025	**2024**
E.	**Underwriting reserves for unit-linked life insurance policies**					
	I.	Aggregate policy reserves				
		1. Gross amount	5,484,094			4,992,492
		2. less: amounts ceded	27			23
				5,484,066		4,992,468
	II.	Miscellaneous underwriting reserves				
		Gross amount		71,412		64,708
					5,555,479	5,057,176
F.	**Other accruals**					
	I.	Accruals for pensions and similar obligations		451,476		466,623
	II.	Accruals for taxes		198,815		170,463
	III.	Miscellaneous accruals		151,676		154,540
					801,966	791,626
G.	**Deposits held in connection with reinsurance business ceded**				519,860	497,377
H.	**Other liabilities**					
	I.	Accounts payable in connection with direct insurance business to				
		1. Policyholders	453,929			446,218
		2. Insurance agents	126,497			119,896
				580,426		566,114
	II.	Accounts payable in connection with reinsurance business		108,062		98,975
	III.	Liabilities to banks		40,128		40,128
	IV.	Miscellaneous liabilities		493,642		280,526
		of which for taxes: € 53,085 thousand (PY: € 49,263 thousand) of which for social security: € 829 thousand (PY: € 346 thousand) of which from affiliated companies: € 156,763 thousand (PY: € 7,481 thousand) of which from associated companies: € 875 thousand (PY: € 829 thousand) of which from participations: € 364 thousand (PY: € 434 thousand)				
					1,222,258	985,743
I.	**Deferred income**				720	898
Total equity and liabilities					**59,428,145**	**57,418,469**

Consolidated Income Statement
for the period from 1 January to 31 December 2025

€ thousand				
			2025	**2024**
I. Underwriting account for property and casualty insurance business				
1. Earned premiums net of reinsurance				
a) Gross premiums written	3,697,774			3,134,125
b) Reinsurance premiums ceded	568,444			656,111
		3,129,330		2,478,015
c) Change in gross unearned premiums	-47,856			-42,456
d) Change in gross unearned premiums ceded	-9,670			-7,915
		-38,186		-34,541
			3,091,144	2,443,473
2. Technical interest net of reinsurance			2,761	2,344
3. Other underwriting income net of reinsurance			3,137	2,972
4. Claims expenses net of reinsurance				
a) Claims paid				
aa) Gross amount	2,260,577			1,988,091
bb) Amount ceded	322,620			331,910
		1,937,958		1,656,182
b) Change in reserve for outstanding claims				
aa) Gross amount	61,914			52,243
bb) Amount ceded	-75,533			-13,169
		137,447		65,412
			2,075,405	1,721,593
5. Change in other net underwriting reserves				
a) Net policy reserve		-2,613		-3,247
b) Other net underwriting reserves		5,906		7,914
			3,293	4,667
6. Expenses for performance-related and non-performance-related premium refunds net of reinsurance			4,020	4,101
7. Underwriting expenses net of reinsurance				
a) Gross underwriting expenses		1,035,269		876,330
b) less: commissions and profit sharing received on reinsurance business ceded		141,471		185,463
			893,798	690,867

				€ thousand
			2025	**2024**
8. Other underwriting expenses net of reinsurance			37,175	27,410
9. Subtotal			83,352	151
10. Change in equalization reserves and similar reserves			-71,332	-44,501
11. Underwriting result net of reinsurance in property and casualty insurance business			12,019	-44,350
II.Underwriting account for life and health insurance business				
1. Earned premiums net of reinsurance				
a) Gross premiums written	5,547,768			3,166,121
b) Reinsurance premiums ceded	73,562			45,598
		5,474,205		3,120,523
c) Change in net unearned premiums		2,687		3,584
			5,476,892	3,124,107
2. Premiums from the gross provision for premium refunds			188,321	92,975
3. Allocated interest transferred from the non-underwriting account			1,092,782	820,637
4. Unrealized gains on investments			492,744	530,712
5. Other underwriting income net of reinsurance			50,432	59,392
6. Claims expenses net of reinsurance				
a) Claims paid				
aa) Gross amount	4,597,832			3,280,144
bb) Amount ceded	40,867			65,045
		4,556,965		3,215,099
b) Change in reserve for outstanding claims				
aa) Gross amount	78,765			61,695
bb) Amount ceded	2,128			-543
		76,637		62,238
			4,633,603	3,277,337
7. Change in other net underwriting reserves				
a) Policy reserves				
aa) Gross amount	1,453,898			483,268
bb) Amount ceded	12,909			-34,813
		1,440,989		518,081
b) Other net underwriting reserves		8,557		1,275
			1,449,547	519,356

					€ thousand
				2025	**2024**
8.	**Expenses for performance-related and non-performance-related premium refunds net of reinsurance**			373,697	179,172
9.	**Underwriting expenses net of reinsurance**				
	a) Acquisition expenses	477,466			315,050
	b) Administrative expenses	135,104			85,538
			612,570		400,588
	c) less: commissions and profit sharing received on reinsurance business ceded		54,741		13,155
				557,829	387,432
10.	**Unrealized losses on investments**			21,071	85,488
11.	**Other underwriting expenses net of reinsurance**			87,275	49,315
12.	**Underwriting result net of reinsurance in life and health insurance business**			178,150	129,723
III. Non-underwriting account					
1.	**Underwriting result net of reinsurance**				
	a) in property and casualty insurance business		12,019		-44,350
	b) in life and health insurance business		178,150		129,723
				190,169	85,373
2.	**Investment income**				
	a) Income from joint ventures and associated companies	22,112			25,707
	b) Income from participations of which from affiliated companies: € 20,675 thousand (PY.: € 18,647 thousand)	41,499			43,333
	c) Income from other investments of which from affiliated companies: € 409 thousand (PY.: € 428 thousand)				
	aa) Income from real estate, real estate rights, and buildings, including buildings on third-party land	30,932			8,762
	bb) Income from other investments	1,433,977			1,100,610
		1,464,909			1,109,371
	d) Income from write-ups	16,901			3,098
	e) Proceeds from the disposal of investments	69,021			60,567
	f) Income from profit transfer agreements	75			157
			1,614,517		1,242,233

					€ thousand
				2025	**2024**
3.	**Investment expenses**				
	a) Cost of portfolio management, interest expense and other expenses in connection with investments	80,220			48,829
	b) Amortization of investments	289,582			212,131
	c) Losses from the disposal of investments	15,653			36,507
	d) Expenses from loss absorption	25			0
			385,479		297,467
				1,229,037	944,766
4.	**Allocated interest transferred to the underwriting account for property and casualty insurance business**		3,108		2,700
4a.	**Allocated interest transferred to the underwriting account for life and health insurance business**		1,092,782		820,637
				1,095,890	823,337
				133,147	121,429
5.	**Other income**		229,775		178,178
6.	**Other expenses**		329,371		286,841
				-99,596	-108,663
7.	**Operating income**			223,721	98,139
8.	**Extraordinary expenses** **=Extraordinary result**			0	-1,727
9.	**Income before taxes**			223,721	96,412
10.	**Taxes on income** of which from deferred taxes € 37,642 thousand (PY: € 14,119 thousand)		111,866		73,780
11.	**Other taxes**		2,675		3,648
				114,541	77,428
12.	**Net income for the year**			109,179	18,985
13.	**Net income attributable to minority interests**			7,866	3,577
14.	**Net loss attributable to minority interests**			0	43
15.	**Consolidated net income for the year**			**101,313**	**15,451**

Statement of Changes in Equity

	Subscribed capital	Capital reserve
Balance as of 1 January 2024	**303,521**	**532,500**
Transfers to/withdrawals from reserves	0	0
Dividend	0	0
Capital increase	170,737	425,389
Other changes	0	0
Additions of consolidated companies	0	0
Disposal of consolidated companies	0	0
Net income for the year	0	0
Balance as of 1 January 2025	**474,258**	**957,889**
Adjustment to the opening balance	0	0
Transfers to/withdrawals from reserves	0	0
Dividend	0	0
Capital decrease	0	0
Net income for the year	0	0
Balance as of 31 December 2025	**474,258**	**957,889**

The merger of Barmenia and Gothaer in 2024 resulted in technical negative differences arising from capital consolidation in accordance with DRS 23.147 c. Due to adjusting events in 2025, changes that are not recognized in profit or loss were made to deferred taxes and the measurement of intangible assets in accordance with DRS 23.78. As a result, the opening balance had to be corrected. This correction led to the negative differences increasing by € 38,320.1 thousand, less a reversal of € 489.6 thousand recognized directly in equity. At the beginning of the financial year, the negative difference was € 369,555.9 thousand. After the reversal of € 26,420.3 thousand (PY: € 5,896 thousand) through the income statement, the difference at the end of the financial year was € 343,135.7 thousand (PY: € 331,725 thousand).

€ thousand

Statutory reserve	Other revenue reserves	Sum Revenue reserve	Consoli-dated net income for the year	Sum parent com-pany equity	Minority interests	Equity
818	**460,903**	**461,721**	**0**	**1,297,742**	**30,156**	**1,327,898**
0	0	0	0	0	0	0
0	0	0	0	0	-3,696	-3,696
0	-6,117	-6,117	0	590,009	0	590,009
0	5,430	5,430	0	5,430	0	5,430
0	0	0	0	0	74,426	74,426
0	-22,585	-22,585	0	-22,585	0	-22,585
0	0	0	15,451	15,451	3,534	18,985
818	**437,630**	**438,448**	**15,451**	**1,886,046**	**104,420**	**1,990,466**
0	-38	-38	0	-38	1,962	1,924
0	15,451	15,451	-15,451	0	0	0
0	-22,750	-22,750	0	-22,750	-4,967	-27,717
0	0	0	0	0	-4,545	-4,545
0	0	0	101,313	101,313	7,866	109,179
818	**430,293**	**431,111**	**101,313**	**1,964,571**	**104,737**	**2,069,308**

Statement of Cash Flows

		€ thousand
	2025	**2024**
Profit for the period *	109,179	18,985
Increase/decrease in underwriting reserves net of reinsurance	1,750,239	618,181
Increase/decrease in deposits with ceding undertakings and receivables from reinsurance business	-35,886	66,344
Increase/decrease in deposits received from reinsurers and liabilities from reinsurance business	31,570	11,244
Increase/decrease in other receivables	185,453	-303,406
Increase/decrease in other liabilities	76,556	-70,071
Changes in other balance sheet items not attributable to investing or financing activities	- 1,695,820	98,590
Other non-cash expenses/income and adjustments to profit or loss for the period	-287,145	-310,934
Gain/loss on disposal of investments, tangible fixed assets and intangible assets	-52,632	-23,960
Expenses for extraordinary items	0	1,727
Income tax expense	111,866	73,780
Income taxes paid	-101,673	-66,533
Payments to granted grants	-47,376	-21,772
Cash flows from operating activities	**44,333**	**92,173**
Proceeds from disposal of entities included in the basis of consolidation	1,679	95,137
Proceeds from disposal of tangible assets	357	1,533
Proceeds from disposal of intangible assets	515	1,822
Payments to acquire tangible assets	-15,116	-14,636
Payments to acquire intangible assets	-56,143	-54,369
Proceeds from disposal of investments relating to unit-linked life insurance policies	228,882	11,521
Payments to acquire investments relating to unit-linked life insurance policies	-231,137	-13,156
Cash flows from investing activities	**-70,963**	**27,853**
Payments relating to capital reductions attributable to minority interests	-4,545	0
Dividends paid to minority interests	-27,717	-3,696
Proceeds from/payments for other financing activities	20,543	-45,362
Cash flows from financing activities	**-11,719**	**-49,058**
Net change in cash funds	**-38,349**	**70,968**
Change in cash and cash equivalents due to transfer	0	3,865
Effect on cash funds of changes in the basis of consolidation	-2,455	37,947
Cash funds at beginning of period	247,126	134,346
Cash funds at the end of period	**206,322**	**247,126**

*incl. minority interests in profit for the period

The Statement of Cash Flows pursuant to DRS 21 shows the change in cash and cash equivalents for the financial year. The cash funds considered correspond to the balance sheet item E.II. Current credit balances with banks, checks and cash on hand. A distinction is made here between cash flows from current operating activities, investing activities and financing activities. The indirect method is used to report cash flows from current operating activities. In this case, net profit for the period is adjusted to eliminate the effects of transactions of a non-cash nature (in particular write-ups/write-downs and changes in reserves). Inflows and outflows of funds from insurance companies' investment business are also reported as cash flows from current operating activities. Furthermore, net profit for the period is adjusted for items of income or expense associated with investing or financing cash flows. Cash flows are adjusted to eliminate the effects of changes in the scope of consolidation.

Various transactions were entered into in 2024 during the course of the merger of the Gothaer Group and the Barmenia Group. These were non-cash transactions that had no impact on the cash flow statement with the exception of additions to cash and cash equivalents under the item of 'Change in cash and cash equivalents due to transfer'. In addition, shareholdings held by the Barmenia Group were transferred to BarmeniaGothaer AG in exchange for new shares. This contribution in kind represented a non-cash transaction. The addition to cash and cash equivalents led to consolidation-related changes in cash and cash equivalents.

In 2025, due to adjusting events, changes that are not recognized in profit or loss were made to deferred taxes, the measurement of intangible assets and the negative difference in accordance with DRS 23.78. As a result, the opening balance had to be corrected. These corrections are non-cash transactions and have no impact on the cash flow statement. In addition, cash adjustments of € -10,870.1 thousand were made in 2024 to grants awarded.

Notes to the Consolidated Financial Statements
Group Accounting Policies

BarmeniaGothaer AG is the parent of the BarmeniaGothaer Group and prepares consolidated financial statements and a Group management report pursuant to sections 341 i ff. and 290 ff. of the German Commercial Code (HGB), sections 58 ff. of the German Ordinance Governing the Accounting Practices of Insurance Companies (RechVersV) and the German Accounting Standards (DRS) that are relevant for the BarmeniaGothaer Group.

We have not exercised the option pursuant to 297 (1) sentence 2 HGB to supplement the consolidated financial statements with segmental reports.

All companies whose accounts are included in the consolidated financial statements have compiled financial statements as at 31 December 2025 which are largely consistent with Group accounting policies. The financial year is the calendar year.

Barmenia Krankenversicherung AG, Barmenia Allgemeine Versicherungs-AG, PrismaLife AG and Barmenia Grundstücks GmbH & Co. KG were recognized in the consolidated income statement for 2024 at pro rata temporis values (three months) due to their first-time inclusion. The employees of these companies were also recognized on a pro rata temporis basis.

The financial statements of joint ventures consolidated at equity and associated companies have generally not been adjusted pursuant to section 312 (5) HGB.

All material subsidiaries of the BarmeniaGothaer Group are consolidated if they are directly or indirectly controlled by the Group. The date of a company's initial consolidation is the date on which the BarmeniaGothaer Group assumes control of it. Capital consolidation is performed using the acquisition method. This involves recognizing the assets, liabilities, accruals, deferrals and extraordinary items on the acquired company's balance sheet in accordance with section 301 (1) HGB, disclosing hidden reserves and liabilities (complete revaluation) and netting the resulting value against the parent company's share in the equity of the subsidiary. A positive difference is allocated to goodwill, which is subject in subsequent years to scheduled amortization and non-scheduled depreciation based on impairment testing. A negative difference is recognized as a liability and reported in the balance sheet under the item of “Difference arising from capital consolidation”. The technical negative differences arising from capital consolidation in the BarmeniaGothaer Group in 2024 in accordance with DRS 23.147 c will be reversed in subsequent periods in line with the carrying amounts of the acquired assets of the subsidiaries.

Joint ventures and associated companies are valued at equity in the consolidated financial statements pursuant to section 312 HGB. Further details can be found under Accounting and Valuation Policies in the section on investments.

Income generated by subsidiaries after initial consolidation is included in the revenue reserves of the Group after deduction of any minority interests. Minority interests are shown in the statement of financial position under equity.

Intragroup receivables and payables, expenses and income, and profits are eliminated in accordance with section 304 in conjunction with section 341 j (2) HGB unless they are of minor significance for the net assets, financial position and earnings of the Group. Because of the requirement in the Ordinance Governing the Accounting Practices of Insurance Companies (RechVersV) for the consolidated income statement to be divided into three sections, consolidation measures can impact on more than one part of the income statement. If they impact on both Section II Underwriting account for life and health insurance business and Section III Non-underwriting account, they are recognized in Section III. This is basically a matter of consolidating income from equity investments. Transactions between Group companies are conducted at arm's length as a matter of principle.

Scope of Consolidation

The determination of the scope of consolidation is subject to materiality, which is assessed for each company on the basis of equity, balance sheet total and revenues. In addition, a threshold is applied to the total of the three criteria for all companies judged immaterial.

Subsidiaries

Accordingly, 19 subsidiaries were fully consolidated in the consolidated financial statements along with the parent company because of the parent company's controlling influence pursuant to section 290 (2) HGB. They comprised nine insurance companies, one pension trust and ten other companies.

Barmenia.Gothaer Finanzholding AG was renamed BarmeniaGothaer AG in 2025.

FWP Lux Feeder Beta S.A. (in liquidation) was liquidated and deconsolidated in 2025.

Joint ventures and associated companies

In addition, two associated companies in which a significant influence can be exercised according to section 311 (1) HGB were recognized in the consolidated financial statements at equity pursuant to section 312 HGB. The scope of consolidation also includes one participation managed as joint venture. This was also recognized at equity pursuant to section 312 HGB.

List of holdings

The list of holdings pursuant to section 313 (2) HGB is found at the beginning of the section "Other disclosures". It includes the consolidated companies of the BarmeniaGothaer Group in the financial year. A list of holdings pursuant to section 313 (4) HGB, which includes subsidiaries and participations that are not consolidated, is also found there.

Accounting and Valuation Policies

Introduction

The consolidated financial statements have been prepared in accordance with the rules of the German Commercial Code (HGB), the Stock Corporation Act (AktG), the Insurance Supervision Act (VAG) and the Ordinance Governing the Accounting Practices of Insurance Companies (RechVersV).

Consolidated balance sheet, consolidated income statement, statement of changes in equity, cash flow statement and notes to the consolidated financial statements are prepared in thousand euros. The figures in the financial statements are rounded to one decimal place. Therefore the addition of individual items may result in rounding differences.

Currency translation

The consolidated financial statements are denominated in euros. The companies whose accounts are included in the consolidated financial statements denominate their financial statements in euros.

Intangible assets

The recognition option in section 248 (2) sentence 1 HGB with regard to the recognition of internally created intangible assets was exercised. The fixed asset in question was in-house developed software. Internally created intangible assets are recognized at cost, less straight-line amortization over their expected useful lives of between two and 20 years. Where permanent impairment is anticipated, depreciation is applied in accordance with section 253 (3) HGB. The costs of production for internally created intangible assets include directly attributable costs.

Acquired intangible assets are recognized at cost less straight-line depreciation based on an anticipated economic life of one to 20 years for the relevant asset. Where permanent impairment is anticipated, depreciation is applied in accordance with section 253 (3) HGB. Insurance portfolios acquired for consideration are recognized at their present value of future profits (PVFP) on the date of acquisition. The PVFP is calculated as the present value of the expected income from the acquired insurance portfolios. The linear amortization of the PVFP (eight to 30 years) follows the planned realization of the surpluses from the underlying insurance portfolios. The sales organizations acquired for consideration and the brand name are also amortized on a straight-line basis over 15 and three years, respectively.

Investments

Real estate, real estate rights and buildings, including buildings on third-party land are valued at acquisition or production cost and depreciated in accordance with section 253 (3) HGB. Where permanent impairment is anticipated, an unscheduled write-down is implemented. Where the reason for impairment no longer exists, a write-up is performed to at most the amortized cost in accordance with section 253 (5) HGB.

In the year under review, land values were calculated in accordance with the provisions of the German Building Code (Baugesetzbuch) in conjunction with the Valuation Ordinance (Wertermittlungsverordnung) using the gross rental method; one owner-occupied property was valued using the asset value method.

Shares in affiliated companies and participations are recognized at cost in line with section 341b (1) HGB unless permanent impairment is anticipated, in which case they are recognized at the lower fair value in accordance with section 253 (3) HGB. Where the reason for impairment no longer exists, a write-up is performed to at most the amortized cost defined in section 253 (5) HGB.

Where no stock exchange value is available, shares in affiliated companies and participations are valued as a matter of principle in accordance with IDW RS HFA 10 in conjunction with IDW S1. An exception is made in the case of various private equity participations and indirect real estate participations held as long term investments. Here, fair values are established on the basis of net asset value or a cash flow based net asset value.

Loans to affiliated companies and participations are recognized at cost, unless permanent impairment is anticipated, in which case they are recognized at the lower fair value. If the reason for impairment no longer exists, write-ups are performed up to at most the amortized cost. Differences between the cost and repayment amount of these securities are amortized by the effective interest method as a matter of principle.

Shares in joint ventures and associated companies are generally included in the consolidated financial statements at equity, i.e. at the pro rata share in equity. Pro rata shares in equity are established on the basis of the latest available financial statements. The carrying amounts in the financial statements of joint ventures and associated companies are retained pursuant to section 312 (5) HGB. Income resulting from the appreciation and expenses resulting from the depreciation of reported equity recognized through profit and loss are included in the investment result. Changes that are not recognized through profit and loss are taken into account in other revenue reserves.

For investments in unit trusts and funds, bearer bonds and other fixed interest securities that represent a long-term commitment, we choose to exercise the option offered by section 341b (2) half-sentence 2 HGB to treat the investments as fixed assets and apply the moderated lower-of-cost-or-market principle as a rule.

Investments in unit trusts and funds that are classed as fixed assets, are recognized at cost. In accordance with section 253 (3) HGB, depreciation is applied only in the case of permanent impairment, with fair value determined by means of a fund review. Where the reason for impairment no longer exists, write-ups to fair value are performed pursuant to section 253 (5) HGB. Fair value is determined on the basis of stock market prices or redemption prices.

Shares, investments in unit trusts and funds and other non-fixed-interest securities that are not intended to be held as long-term investments are recognized at cost on the strict lower-of-cost-or-market principle, where appropriate taking into account write-downs to stock exchange value or redemption price pursuant to section 253 (4) HGB. Where the reason for impairment no longer exists, write-ups to market value are performed in accordance with section 253 (5) HGB.

Bearer bonds and other fixed-interest securities classed as fixed assets are valued at cost. Differences between the cost and repayment amount of these securities are amortized by the effective interest method as a matter of principle. In line with section 253 (3) HGB, depreciation is applied only where impairment is permanent. If the reason for impairment no longer exists, a write-up is performed pursuant to section 253 (5) HGB. Fair value is established on the basis of stock exchange values or redemption prices. If there is no stock exchange value or redemption price, a mark-to-model valuation is generally used. This valuation method involves all relevant securities being valued on the basis of an appropriate swap curve at balance sheet date plus a security-specific spread or term-related spread curve, taking any termination rights into account. In individual cases the net asset value is determined.

Bearer bonds and other fixed-interest securities that are not intended to be held to maturity are treated as current assets, recognized at cost on the strict lower-of-cost-or-market principle and written down to stock exchange value in the event of impairment. Where values recover, write-ups are performed in accordance with section 253 (5) HGB.

Mortgages, liens on real property and annuities, registered securities, receivables covered by promissory notes and loans as well as loans and advance payments on insurance policies are recognized at cost. Differences between the cost and repayment amount of these securities are amortized by the effective interest method.

Mortgages, liens on real property and annuities, registered securities, receivables covered by promissory notes and loans as well as loans and advance payments on insurance policies are regularly checked for impairment. Where permanent impairment is anticipated, write-downs are performed to fair value. Where impairment no longer exists, appreciation is applied up to at most the amortized cost.

The fair value of all standard mortgages, liens on real property and annuities, registered securities, receivables covered by promissory notes and loans, as well as loans and advance payments on insurance policies is established by mark-to-model valuation. All relevant securities are valued on the basis of an appropriate swap curve at balance sheet date plus a security-specific spread or term-related spread curve, taking any termination rights into account. Securities that cannot be assigned as standard to one of the pre-defined groups (e.g. “Namensgenussscheine”) are subjected to special individual mark-to-model valuation. In individual cases, the net asset value is determined for registered bonds, promissory notes and loans.

For all structured interest rate products, a precise analysis of cash flow structures is performed and the products divided into the underlying basic elements. Mark-to-model valuation is performed on the basis of market data at balance sheet date (swap curve, volatilities etc.), as well as current forward rates. The actual valuation, including optional components, is performed by discounting all anticipated future cash flows while taking into account security-specific spreads and illiquidity premiums.

Directly held asset-backed securities are recognized at the values reached by the arrangers.

Derivative financial instruments are recognized on a daily basis at market values obtained from market information systems. Alternatively, in the case of OTC derivatives, they are precisely discounted on the basis of cash flow-based models, using financial mathematical methods and appropriate swap curves at balance sheet date.

Valuation units between investments exposed to a foreign exchange risk (underlying transactions) and foreign exchange sale contracts (hedging instruments) are formed in the same currency. The valuation units exist for the full projected holding period of the underlying transaction.

Hedges are rolled as a matter of principle, i.e. as forward contracts near maturity, they are prolonged by a new hedge. The forward component, which is the difference between the spot exchange rate and the forward exchange rate, is not included in the offsettable portion of compensatory valuation but deferred over the term of the foreign exchange sale contract and recognized in profit or loss as interest earned or interest paid. Cash flows from the prolongation of contracts are offset in equity against the book values of the relevant underlying transactions, provided that the amount relates to the effective part of the hedge (net hedge presentation method). Please also refer to the disclosures pursuant to section 314 (1) no. 15 HGB (disclosures on valuation units) in the notes to the financial statements in this report.

Other loans and other investments are recognized at cost. In the case of permanent impairment, write-downs are performed to fair value. Where values recover, write-ups are performed to at most cost.

Differences between the cost and repayment amount of these securities are amortized by the effective interest method.

The fair value of other loans and other investments is established by means of a discounted cash flow method with factor premium model. Alternatively, an individual mark-to-model valuation can be performed.

Bank deposits are carried at nominal value.

Deposits with ceding companies are recognized at nominal value.

Investments for the account and risk of life insurance policyholders are recognized at fair value, i.e. at their redemption price.

Receivables

Receivables due from policyholders and insurance agents in connection with direct insurance business are recognized at nominal value less reasonable individual and flat-rate value adjustments.

Accounts receivable in connection with reinsurance business are recognized at nominal value less reasonable individual and flat-rate value adjustments.

Other receivables

Other receivables are recognized at nominal value, unless value adjustments are necessary in individual cases.

Tangible assets and inventories

Under tangible assets and inventories, operating and office equipment is recognized at cost less straight-line depreciation based on an anticipated economic life of two to 15 years. Some low-value assets with an acquisition value of less than € 250 are written off directly. Inventories are valued at cost.

Current credit balances with banks, checks and cash on hand

Current credit balances with banks and cash on hand are recognized at their nominal value.

Deferred tax assets

Deferred taxes are calculated and offset in accordance with sections 274 and 306 HGB and DRS 18. This takes account of temporary differences between the commercial balance sheets and tax balance sheets of the consolidated companies, unused tax loss carryforwards and other balance sheet differences due to consolidation processes.

Deferred tax assets are recognized only if an offset with future taxable profit is probable. As a matter of principle, tax loss carryforwards are only factored into the calculation of deferred tax assets if the tax relief from the loss carryforwards can be anticipated within the next five years.

The recoverability of deferred tax assets is reviewed as at every reporting date. Changes in tax rates are taken into account as soon as they are enacted. The deferred tax rate that is determined takes account of the respective tax situation of individual items or that of the Group companies. In 2025, the interpretation of the recognition prohibition under section 306 (4) of the German Commercial Code (HGB) was clarified. The approach to special investments was also standardized. This had a minor impact on the results of operations, but no significant impact on the net assets and financial position. Deferred taxes for the German companies were measured using an income tax rate (corporation tax including solidarity surcharge and trade tax) that decreases until 2032. This means allowing for corporation tax of between 10.0 % and 15.0 %, plus a solidarity surcharge of 5.5 % of the tax burden and trade tax rates between 13.9 % and 17.2 % in the financial year under review. An income tax rate of 12.5 % was used for one Liechtenstein company, a profit tax rate of 17.0 % for one Swiss permanent establishment and a corporation tax rate of 23.0 % for one Austrian permanent establishment.

Other assets

Other asset items not mentioned individually are recognized at nominal value as a matter of principle.

Equity

The subscribed capital corresponds to the amount recognized on the balance sheet of BarmeniaGothaer AG. The subscribed capital of € 474,258 thousand is fully paid up and divided into 927,569 registered shares. Barmenia Versicherungen a.G. and Gothaer Versicherungsbank VVaG have notified BarmeniaGothaer AG that they are entitled to an equal share of the majority of voting rights in accordance with Section 20 (4) of the German Stock Corporation Act (AktG). Equity also includes capital reserves and revenue reserves, which include the statutory reserves and other revenue reserves.

Minority interests include the prorated equity of subsidiaries that do not directly or indirectly belong 100% to the BarmeniaGothaer Group.

Changes in equity can be found in the separate section on the statement of changes in equity.

Difference arising from equity consolidation

The merger of the Barmenia Group and the Gothaer Group resulted in a technical negative consolidation difference in accordance with DRS 23.147 c. The parent-subsidiary relationship was established through a contribution in kind, and the investments were recognized at acquisition cost below their fair value in accordance with the principles for the measurement of contributions in kind. These differences will be reversed in subsequent periods in accordance with the Group's carrying amounts for the acquired assets of the subsidiaries. Since the acquired assets for which new hidden reserves have arisen can also be identified individually in terms of amount, the reversal of the negative difference is made in accordance with the carrying amounts of these assets as per DRS 23.150 a).

Underwriting reserves

Underwriting reserves are recognized in compliance with the provisions of sections 341e to 341h HGB.

The main types of reserves formed in property and casualty, life and health insurance are described below.

Underwriting reserves in property and casualty insurance

Due to the fact that only a small proportion of our cedants' annual accounts were available at the time the balance sheet was prepared, the actuarial figures are partly based on estimates.

The volume of unearned premiums from direct insurance activities is predominantly established by the 360/360-method on the basis of premiums from policies in force. Other fraction methods are applied to a limited extent. In the engineering and transport insurance lines, the flat-rate method is used to quantify unearned premiums. The costs that need to be deducted from unearned premiums are calculated in accordance with the letter from the Federal Ministry of Finance dated 30 April 1974.

In the case of reinsurance assumed, unearned premiums were established on the basis of information from cedants.

Aggregate policy reserves for accident insurance with premium return of Gothaer Allgemeine Versicherung AG are determined in compliance with the relevant legal provisions, in particular the Ordinance Governing the Accounting Practices of Insurance Companies (RechVersV). Aggregate policy reserves are determined on the basis of individual policies using the prospective method and taking into account future expenses. Individual losses reported and losses incurred but not reported are identified and calculated individually.

Following the amendment of the Policy Reserve Ordinance (DeckRV) on 1 March 2011 to take account of the low-interest environment, an additional interest reserve (Zinszusatzreserve - ZZR) is formed for policies where actuarial interest is above the reference interest rate. For new policies, the ZZR is based on the reference interest rate at balance sheet date (subject to the amendments to the DeckRV as at 23 October 2018) and taking conservative account of lapse probabilities. For existing policies, reserving is based on the "business plan for strengthening existing policy interest rates".

A policy reserve is formed for Barmenia Allgemeine Versicherungs-AG's functional disability insurance cover with various benefit modules. It is calculated in accordance with actuarial principles for each individual policy using the prospective method.

The reserve for losses (except annuities) included in the reserve for outstanding claims in connection with direct insurance business has been determined on the basis of the anticipated requirement and calculated individually. The reserve for losses incurred but not yet reported is determined on a flat-rate basis in compliance with section 341g (2) HGB. It is based on previous years' figures and takes account of the specific requirements of individual lines and types of insurance.

The reserve for loss adjustment expenses is determined in line with the letter from the Federal Ministry of Finance dated 2 February 1973.

The DAV 2006 HUR mortality table with age shifting was used for annuity reserves in motor vehicle liability and accident insurance.

In cases involving a critical illness (dread disease), a modified Munich Re mortality table is used.

Reserves for outstanding claims in connection with reinsurance business assumed are consistently established at amounts equal to those provided by ceding companies plus necessary increases.

Accepted actuarial methods are used to determine the amount for terminal bonuses to be included in the reserve for profit-related premium refunds. The calculation rules are recorded in the authorized basic business plan for the payment of surplus bonuses (old policies within the meaning of section 336 of the Insurance Supervision Act (VAG)) or meet the requirements of section 28 (7) RechVersV (new policies within the meaning of section 336 VAG).

The reserve for non-profit-related premium refunds to individual policyholders in direct written business with favourable claims development is recognized at the expected refund amount.

The reserve for premium refunds in connection with reinsurance assumed is established on the basis of information from the ceding company.

The reserve to compensate fluctuations in the annual claims levels is calculated in accordance with section 341h HGB in conjunction with section 29 of the German Ordinance Governing the Accounting Practices of Insurance Companies (RechVersV).

Reserves for major risks in connection with pharmaceutical product liability insurance, atomic power plants and terrorist risks are determined in compliance with section 341h HGB and section 30 (1) RechVersV.

Reserves for anticipated losses from insurance business are determined in compliance with section 341e (2) no. 3 HGB in conjunction with section 31 (1) no. 2 RechVersV.

The reserve established for unused premiums from suspended motor insurance policies is equal to the premium credited for the time elapsed between the date of interruption of insurance coverage and the reporting date. Premium credits are determined separately for each individual policy.

The reserve for obligations arising from membership of “Verkehrsopferhilfe e.V.”, an association that assists victims of accidents caused by uninsured drivers, is recognized for motor vehicle liability insurance on the basis of the association's accounts.

The cancellation reserve is calculated by applying to the current year’s premiums the ratio of prior-year premium reductions arising from the discontinuation or reduction of underwriting risk to total prior-year premiums.

The reserve for contractual premium adjustments pursuant to article 9 of the Fire Business Interruption Insurance Conditions (FBUB) is determined on a flat-rate basis.

The reserve for profit-sharing arrangements relates to profit-sharing agreements. The obligation is measured on the basis of an estimate of the previous development of claims and the ultimate measurement date is in the following financial year.

Reinsurers’ shares of underwriting liabilities are determined on the basis of the respective reinsurance treaties.

Underwriting reserves in life insurance

Gross unearned premiums are calculated for each individual policy, taking account of the commencement date and the mode of premium payment agreed. Tax regulations are observed for the deduction of non-transferrable invoiced collection fees.

Policy reserves for direct written business are calculated for each individual policy, taking account of the relevant starting month.

As a matter of principle, policy reserves are calculated by the prospective method in accordance with section 341f HGB, section 25 RechVersV and the ordinances enacted pursuant to section 88 (3) VAG and section 235 (1) nos. 4 to 7 VAG respectively. The relevant valid business plan is observed for existing policies in force. Future costs are implicitly taken into account. In particular, policy reserves are also formed for administrative costs during non-contributory periods. In the case of unit-linked products, the value-dependent actuarial capital for each individual policy is used as the basis for a unit-linked policy reserve. The policy reserve for unit-linked life insurance with a gross premium guarantee (hybrid product) is divided into a conventional reserve and a unit-linked reserve. The calculation of the policy reserve for index-linked annuity policies is also carried out on the basis of the retrospective method, whereby the guaranteed benefits under the tariff are secured by the minimum amount of the corresponding prospective policy reserves.

In light of anticipated improvements in mortality, we strengthened policy reserves for annuity and pension policies concluded on or before 31 December 2004, taking as a basis both current mortality tables and company cancellation and capital settlement probabilities. The calculated adjustment that is required takes account of the policy reserve revaluation requirements that need to be met for compliance with Federal Financial Supervisory Authority publication VerBaFin 01/2005.

Policy reserves were also increased for supplemental occupational disability policies based on tables older than the DAV 1997 I where necessary.

Since the amendment of the German Policy Reserve Ordinance (DeckRV) in 2018, the reference interest rate used to assess additional interest reserves (Zinszusatzreserve – ZZR) has been calculated by the so-called corridor method. The reference interest rate remains unchanged against the prior year at 1.57 %.

In the regulated portfolio of Gothaer Lebensversicherung AG, reserves are formed on the basis of approved business plans. In the regulated portfolio of Gothaer Pensionskasse AG, the procedure agreed with the supervisory authority involves spreading the ZZR increase over a longer period.

Additional interest reserves were reversed by € 95.3 million for Gothaer Lebensversicherung AG, while an interest reserve reversal of € 0.2 million was made for Gothaer Pensionskasse AG. Additional interest reserves account for 8.8 % of policy reserves at Gothaer Lebensversicherung AG and 7.6 % at Gothaer Pensionskasse AG (gross).

Reserves for known outstanding claims and redemptions are calculated for each individual claim or redemption incurred by balance sheet date and reported by the date on which reserves are established. Individual weighted reserves based on previous years' experience are formed for unresolved claims under invalidity policies. Flat-rate reserves are formed for claims that have been incurred but not yet reported. The gross amounts recognized include reserves for anticipated loss adjustment expenses at a level permissible under tax law.

The reserves for premium refunds include funds (terminal bonus funds) for future terminal bonuses and minimum participation in valuation reserves. Terminal bonus funds are calculated by recognized actuarial methods. The rules for calculating terminal bonus funds are set out in the relevant approved principle business plan for surplus participation (old policies as defined by section 336 VAG) or comply with the requirements of section 28 (7) RechVersV (new contracts as defined by section 336 VAG).

When deferred taxes are recognized pursuant to section 274 HGB, reserves for deferred premium refunds are formed to the value of policyholders' anticipated future participation in taxation and tax relief.

Other underwriting reserves are formed mostly to the value of the difference between the underwriting reserves required for unit-linked life policies where investment risk is borne by policyholders and the existing investment stock. For consortium agreements with external lead management, reserves are calculated on the basis of the values reported by the lead company.

Reinsurers' shares of underwriting reserves for insurance business ceded are calculated on the basis of the relevant reinsurance treaties.

Underwriting reserves in health insurance

Unearned premiums were calculated taking into account the due dates of premiums for each contract affected. Tax regulations were observed. These are travel health insurance premium shares that became due in the reporting year but are attributable to the following year.

Policy reserves are calculated for each individual policy by the prospective method in line with recognized actuarial principles. In the process, care is taken, in particular, to ensure observance of the procedures stipulated in the technical basis for calculation as well as section 341f HGB and sections 146 ff. VAG.

Policy reserves also take into account transfers from lapsed policies as at 31 December of the financial year. These transfers are portable parts of the ageing reserve that policyholders can transfer when switching to another private health insurer.

The percentage share of the co-insured community established for members of the postal and railway civil servants health insurance schemes (GPV) is adopted as communicated by the GPV management, without changes.

Because tariff generations and premium adjustment periods differ, there are also different actuarial interest rates for different tariffs/groups of persons. The average actuarial interest rate in the financial year at Barmenia Krankenversicherung AG was 2.347 % (PY: 2.236 %), and at Gothaer Krankenversicherung AG it was 2.239 % (PY: 2.244 %).

Reserves for outstanding claims in direct written business were calculated using a statistical approximation method in line with section 341g (3) HGB in conjunction with section 26 (1) RechVersV. The bases in this respect for Gothaer Krankenversicherung AG are payments made in the period under review for claims incurred as well as the ratio of the average payments made in the years 2023 to 2025 to the total payments made for prior-year claims. Arrears were taken into account. The calculation is made separately for claims from the previous year and claims from the year before that. At Barmenia Krankenversicherung AG, payments made in the first weeks of the year after the financial year were used as the basis for determining payments for previous years. This initial amount was increased by an estimated amount, taking into account the ratio of the previous year's payments made in the first few weeks to the total previous year's payments in the last financial years. A reserve for outstanding claims with regard to claims of policyholders not covered by this approximation method was estimated separately on the basis of historical values. A safety margin of 9.9 % (previous year: 7.2 %) was then applied to the reserve for outstanding claims in order to rule out a potential settlement loss in the following year.

Reserves for loss adjustment expenses are included in reserves for outstanding claims. They were established on the basis of the ratio of total loss adjustment expenses incurred in the financial year to the total volume of insurance payments made. Reserves for loss adjustment expenses are calculated as the percentage of reserved insurance payments and recognized at 70 % of the total in accordance with tax regulations.

Reserves for profit-related and non-profit-related premium refunds include reserves for premium refunds pursuant to section 341e (2) no. 2 HGB. The transfer to these reserves takes account of the statutory instrument (KVAV) issued on the basis of section 160 VAG. The appropriation of these resources has been approved by the independent trustee as required by law.

The reserve for disproportionate contract terminations is calculated as the sum of the negative ageing provision, measured at an estimated value for the expected level of disproportionate terminations in the following financial year.

Other underwriting reserves include some reserves for anticipated premium refund payments arising from pending lawsuits against the validity of premium adjustments.

The reinsurer's shares of the underwriting reserves are determined in accordance with the agreements made in the reinsurance contract.

When deferred taxes pursuant to section 274 HGB are not already recognized in the single-entity financial statements of the companies included in the consolidated financial statements, reserves for deferred premium refunds are formed to the value of policyholders' anticipated future participation in taxation and tax relief.

Other accruals

Accruals for pensions and similar obligations, with the exception of insurance-based commitments, were calculated using the projected unit credit method based on the 2018 G mortality tables published by Heubeck-Richttafeln-GmbH. Accruals were discounted at the average rate of interest over the last ten years, which is 2.06 %, in line with the Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung), assuming a residual term of 15 years. The difference between valuations at average interest over the last ten years and that over the last seven years is shown in the notes on "Other accruals" in the Notes to the Financial Statements. The effects of the change in the actuarial interest rate are recognized in the interest result.

A wage and salary trend of 2.30 % and a pension trend range of 1.00 % to 2.20 % were used as further actuarial parameters when calculating the pension accruals.

The adjustment backlog for a portion of the portfolio resulting from the provisions of the German Occupational Pensions Act (BetrAVG) was taken into account by applying a premium to the assumed pension trend based on the average consumer price index for the last 25 years. The size of the premium was calculated on the basis of cash equivalency and was established at 0.30 percentage points.

In the calculation of accruals for entitlements arising from the commitment to relieve employees of part of their insurance contributions to Barmenia Krankenversicherung AG upon reaching retirement age, an annual contribution increase of 1.8% or 4.0% was taken into account, depending on the type of insurance.

The option set out in section 28 (1) EGHGB was exercised.

IDW RH FAB 1.021 is applied to non-insurance-based commitments with reinsurance policies, whereby implementation is in accordance with the results report of the German Association of Actuaries (Deutsche Aktuarvereinigung - DAV) dated 26 April 2022. Then, the balance sheet is prepared using the fulfilment value method and the liability primacy option.

Claims on reinsurance that are protected from all other creditors and serve only to fulfil pension obligations are offset against pension accruals in accordance with section 246 (2) HGB.

Accruals for insurance-based pension commitments are measured at the fair value of the reinsurance policies covering them in accordance with section 253 (1) HGB in conjunction with IDW RS HFA 30 para. 74.

Claims on reinsurance that are protected from all other creditors and serve only to fulfil pension obligations are offset against pension accruals in accordance with section 246 (2) HGB.

The reserves for obligations in connection with pre-retirement employment agreements, which are recognized in miscellaneous accruals, are determined on the basis of actuarial principles. Calculation is based on the 2018 G mortality tables developed by Heubeck-Richttafeln-GmbH, taking account of a wage and salary trend of 2.30% and actuarial interest of 1.85%. Reinsurance contracts are concluded for pre-retirement employment obligations as a safeguard against insolvency. A bank guarantee exists for part of the portfolio. Claims arising from the reinsurance contracts are offset against the reserve for pre-retirement employment obligations in accordance with section 246 (2) HGB.

Investment fund certificates are held as fixed assets to cover obligations arising from working time accounts. The carrying value of the certificates is determined exclusively by their fair value. Pursuant to section 253 (1) HGB, accruals are recognized at the fair value of the investment fund certificates or the guaranteed minimum return, whichever is higher. In the case of certificates with a residual term of more than a year, the guaranteed minimum return is discounted at the average market interest rate over the past seven years. In accordance with section 246 (2) HGB, the fair value of the investment fund certificates is offset against miscellaneous accruals from working time assets. The effects of changes in the fair value of the cover assets are recognized in the interest result, unless they needed to be offset. Insolvency protection for employees' claims arising from working time assets is guaranteed in accordance with section 7e SGB IV (trustee model).

Accruals for anniversary commitments are calculated using the projected unit credit method. The calculations are based on the Heubeck 2018 G mortality tables issued by Heubeck-Richttafeln GmbH and assume a discount rate of 2.21 %.

Accruals for taxes and all other miscellaneous accruals are recognized at the amount dictated by sound business judgement. Reserves with a residual term of more than a year were discounted over the rest of their life at the average rate of market interest over the last seven years.

Other liabilities

Deposits held in connection with reinsurance business ceded and miscellaneous liabilities are recognized at settlement amounts pursuant to section 253 (1) HGB. Deferred income is recognized at nominal value.

Other liability items not mentioned individually are recognized at nominal value as a matter of principle.

Notes to the Consolidated Statement of Financial Position

Assets

Changes in assets in the financial year 2025

				Carrying amount previous year	Adjustment to the opening balance
A.		**Intangible assets**			
		1.	Internally generated industrial property rights, similar rights and assets	19,432	0
		2.	Acquired concessions, industrial property rights, similar rights and assets as well as licences for such rights and assets	846,134	38,251
		3.	Payments in advance	98,247	0
		4.	**Subtotal A.**	**963,813**	**38,251**
B	**I.**	**Real estate, real estate rights and buildings, including buildings on third-party land**		**632,435**	**0**
B	**II.**	**Investments in affiliated companies and participations**			
		1.	Shares in affiliated companies	110,824	0
		2.	Loans to affiliated companies	10,400	0
		3.	Shares in joint ventures and associated companies	138,134	0
		4.	Participations	440,286	0
		5.	Loans to participations	6,124	0
		6.	**Subtotal B II.**	**705,768**	**0**
Total				**2,302,017**	**38,251**

Due to adjusting events in 2025, changes that are not recognized in profit or loss were made to the measurement of intangible assets in accordance with DRS 23.78. This meant that the opening balance had to be corrected.

Additions	Reclassfications	Disposals	Reversals	Amortization	Carrying amount finan-cial year
					€ thousand
0	9,130	0	0	8,382	20,180
17,540	68,115	515	0	78,982	890,543
38,934	-77,245	331	0	0	59,605
56,475	**0**	**846**	**0**	**87,364**	**970,328**
20,236	**0**	**49,654**	**0**	**13,862**	**589,156**
17,081	0	9,092	57	22,598	96,273
450	0	1,310	0	0	9,540
0	0	0	23,653	52,672	109,115
10,337	69,880	30,769	7,947	23,144	474,536
3,033	0	363	0	0	8,794
30,901	**69,880**	**41,534**	**31,657**	**98,414**	**698,258**
107,611	**69,880**	**92,035**	**31,657**	**199,639**	**2,257,742**

Real estate, real estate rights and buildings, including buildings on third-party land

The carrying value of self-occupied land and buildings totalled € 64,772 thousand (PY: € 66,702 thousand).

Comparison of book and fair value of investments

B. III. 1. and 2. include investment fund certificates, bearer bonds and other fixed-interest securities with a book value of € 42,473,187 thousand that are classified as long-term assets pursuant to section 341b (2) HGB. The fair value of these assets comes to € 37,567,415 thousand. Hidden liabilities total € 5,090,306 thousand.

For the methods used to establish fair values, please refer to our comments under Accounting and Valuation Policies.

Information on financial instruments with a book value higher than the fair value

			€ thousand
		Carrying amount	Fair value
B.I.	Real estate, real estate rights and buildings, including buildings on third-party land	292,659	282,430
B.II.4	Participations	3,185	3,093
B.II.5	Loans to participations	20	20
B.III.1	Shares, investments in unit trusts and funds and other non-fixed-interest securities	29,756,209	25,530,970
B.III.2	Bearer bonds and other fixed-interest securities	5,791,839	4,928,726
B.III.3	Mortgages, liens on real property and annuities	1,385,722	1,241,361
B.III.4a)	Registered bonds	469,250	439,339
B.III.4b)	Promissory notes and loans	1,453,439	1,252,938
B.III.4c)	Loans and advance payments on insurance policies	557	532
B.III.4d)	Other miscellaneous loans	90,284	78,777

Some real estate fixed assets were not depreciated in accordance with IDW IFA 2.

In the case of all other investments depreciation was waived because impairment was temporary, due to interest rate movements or credit risk/price fluctuations.

Information on valuation units

					€ thousand
		Trading/Nominal volume		Carrying amount	Fair value
B. II. 4.	Participations			30,078	54,348
	Forward currency sales	63,542	TUSD		-345
	Forward currency purchases	950	TUSD		5
	Micro valuation unit	**62,592**	**TUSD**	**30,078**	**54,008**
B. II. 4.	Participations			108,017	117,178
	Forward currency sales	147,374	TUSD		-1,122
	Forward currency purchases	10,120	TUSD		-42
	Portfolio valuation unit	**137,254**	**TUSD**	**108,017**	**116,015**
B. II. 4.	Participations			18,851	21,494
	Forward currency sales	7,695	TGBP		-27
	Forward currency purchases	171	TGBP		1
	Micro valuation unit	**7,524**	**TGBP**	**18,851**	**21,469**
B. II. 4.	Participations			30,004	31,994
	Forward currency sales	9,959	TGBP		-18
	Forward currency purchases	649	TGBP		3
	Portfolio valuation unit	**9,310**	**TGBP**	**30,004**	**31,980**
B. III. 1.	Investments in funds			1,133	1,129
	Forward currency sales	1,230	TGBP		2
	Forward currency purchases	277	TGBP		2
	Portfolio valuation unit	**953**	**TGBP**	**1,133**	**1,133**
B. III. 1.	Investments in funds			2,550	2,540
	Forward currency sales	2,769	TGBP		5
	Forward currency purchases	623	TGBP		5
	Micro valuation unit	**2,146**	**TGBP**	**2,550**	**2,550**
B. III. 2.	Bearer bonds			4,251	4,232
	Forward currency sales	5,000	TUSD		-36
	Micro valuation unit	**5,000**	**TUSD**	**4,251**	**4,196**
B. III. 2.	Bearer bonds			123,103	117,960
	Forward currency sales	146,200	TUSD		-1,469
	Forward currency purchases	1,200	TUSD		-19
	Portfolio valuation unit	**145,000**	**TUSD**	**123,103**	**116,472**
B. III. 4. a)	Registered bonds			2,515	2,518
	Forward currency sales	2,200	TGBP		-3
	Portfolio valuation unit	**2,200**	**TGBP**	**2,515**	**2,515**

Forward exchange contracts are used to hedge exchange rate risks. Identical basis, currency and maturity ensure that the resulting compensating changes in value and cash flows can be expected to neutralize one another completely by the time the transaction matures.

Effectiveness is measured by the Critical Terms Match Method. Furthermore, the hedging relationship, the risk management targets set and the strategy adopted for the conclusion of various hedging transactions are documented at individual contract level.

Hedging effectiveness is verified at the beginning of the hedging relationship and on a continuous basis thereafter, i.e. regular checks are performed to establish whether the fluctuations in the value of the derivative financial instruments used for the hedging transaction largely counterbalance the fluctuations in the fair value or cash flows of the underlying transaction hedged.

Hedges are reported in the balance sheet exclusively by the net hedge presentation method.

Shares in joint ventures and associated companies

Shares in joint ventures and associated companies include no goodwill.

Information on investment fund certificates with a share ownership of more than 10 %

					€ thousand
Type of fund/ investment objective	Carrying amount	Fair value	Difference	Payout	Redemption option
Equity fund	1,697,403	1,697,403	0	0	daily
Fixed-income fund	20,648,917	17,043,274	-3,605,642	416,238	daily or within one month
Property fund	2,322,339	2,440,032	117,693	88,752	daily or within max. six months
Other	13,536,677	13,031,470	-505,207	551,002	daily

Fixed-income funds and other funds are valued using the moderate lower-of-cost-or-market principle according to section 341b (2) HGB.

Other loans

	2025	2024
		€ thousand
B.III.4. Other loans		
a) Registered bonds	1,337,985	1,507,519
b) Promissory notes and loans	2,119,420	2,169,160
c) Loans and advance payments on insurance policies	15,767	17,916
d) Other miscellaneous loans	131,587	287,978
Total	**3,604,758**	**3,982,573**

Deferred tax assets

Differences between valuations in the commercial balance sheets and tax balance sheets of the consolidated companies resulted in an asset-side balance from future tax benefits. The deferred tax assets recognized for this are essentially due to lower valuations in the commercial balance sheets for investments and higher valuations in the commercial balance sheets for loss reserves and annuities for pensions and similar obligations. They also result from the recognition of deferred taxes on tax loss carry forwards. Deferred tax liabilities arise mainly from higher carrying amounts in the commercial balance sheets for intangible assets and investments.

Equity and Liabilities

Other accruals

The difference between the valuation of accruals for pensions and similar obligations at average interest over the last ten years and that over the last seven years was € -7,445 thousand (PY: € -3,221 thousand).

Offsetting of assets and liabilities

Pursuant to section 246 (2) HGB, plan assets from reinsurance of € 625 thousand (PY: € 608 thousand) have been offset against corresponding reserves for employee-financed pension commitments of € 865 thousand (PY: € 870 thousand). The fair value of the plan assets offset is equal to value at cost.

The settlement value of obligations from working time accounts recognized in ‘Other accruals’ – € 368 thousand (PY: € 365 thousand) – was offset against the € 369 thousand (PY: € 365 thousand) fair value of investment fund certificates held in trust as security. The cost of the investment fund certificates totals € 361 thousand (PY: € 355 thousand).

Notes to the Consolidated Income Statement

Gross written premiums

	2025	2024
		€ thousand
Life insurance business	1,727,227	1,549,396
Health insurance business	3,833,330	1,628,881
Property and casualty insurance business	3,538,554	2,979,070
Of which:		
Germany	8,717,560	5,874,843
Other EEA States	361,286	250,676
Third countries	20,263	31,828
Direct insurance business	9,099,110	6,157,346
Reinsurance business assumed	146,431	142,900
Total	**9,245,541**	**6,300,247**

Investment expenses

Amortization of investments includes non-scheduled depreciation of € 212,751 thousand (PY: € 185,975 thousand) in accordance with section 277 (3) HGB.

Other income

Other income includes € 8,941 thousand (PY: € 4,879 thousand) income from the discounting of reserves and income from currency translation totals € 2,609 thousand (PY: € 1,656 thousand).

Other expenses

Other expenses include € 5,142 thousand (PY: € 4,816 thousand) from the discounting of reserves and € 2,116 thousand (PY: € 2,322 thousand) from currency translation. Non-scheduled depreciation of € 2,527 thousand (PY: € 0 thousand) was recognized for land and buildings.

Offsetting of income and expenses

In line with the offsetting of retirement pension commitments and the corresponding plan assets, related expenses of € 19 thousand (PY: € 27 thousand) were offset against related income of € 28 thousand (PY: € 9 thousand) as stipulated in section 246 (2) HGB.

Other disclosures

List of holdings

Subsidiaries included in consolidated financial statements

			as %
Name	Domicile		Owner-ship in-terest*
Parent company			
BarmeniaGothaer AG	Cologne	DE	
Barmenia Allgemeine Versicherungs-AG	Wuppertal	DE	100.0
BarmeniaGothaer Asset Management AG	Cologne	DE	100.0
Barmenia Grundstücks GmbH & Co. KG	Wuppertal	DE	89.9
Barmenia Krankenversicherung AG	Wuppertal	DE	100.0
CG Car-Garantie Versicherungs-Aktiengesellschaft	Freiburg i. Brsg.	DE	67.0
GG-Grundfonds Vermittlungs GmbH	Cologne	DE	100.0
Gothaer Allgemeine Versicherung AG	Cologne	DE	100.0
Gothaer Beratung und Vertriebsservice GmbH	Cologne	DE	100.0
Gothaer Invest- und FinanzService GmbH	Cologne	DE	100.0
Gothaer Krankenversicherung AG	Cologne	DE	100.0
Gothaer Leben Renewables GmbH	Cologne	DE	100.0
Gothaer Lebensversicherung AG	Cologne	DE	100.0
Gothaer Pensionskasse AG	Cologne	DE	100.0
Gothaer Solutions GmbH	Cologne	DE	100.0
Hamburg-Kölner-Vermögensverwaltungsgesellschaft mbH	Cologne	DE	100.0
Janitos Versicherung AG	Heidelberg	DE	100.0
PE Holding USD GmbH	Cologne	DE	100.0
PrismaLife AG	Ruggell	LI	75.0
VBMC ValueBasedManagedCare GmbH	Cologne	DE	100.0

* In the case of ownership interests that are partially held indirectly, economic interests are calculated.

Subsidiaries not included in consolidated financial statements

Pursuant to section 296 (2) HGB, the following subsidiaries are not included in the consolidated financial statements due to minor significance for the Group:

			as %
Name	Domicile		Ownership interest*
AbisDu Pflege GmbH i.L.	Cologne	DE	100.0
adcuri GmbH	Wuppertal	DE	100.0
A.S.I. Wirtschaftsberatung AG	Münster	DE	100.0
Barmenia IT+ GmbH	Wuppertal	DE	100.0
Barmenia Next Strategies GmbH	Wuppertal	DE	100.0
Barmenia Vermögensverwaltungs GmbH	Wuppertal	DE	100.0
CarGarantie Courtage SARL	Brunstatt-Didenheim	FR	67.0
Car-Garantie GmbH	Freiburg i. Brsg.	DE	67.0
DASG Deutsche Assekuranzservice GmbH	Wuppertal	DE	100.0
FORUMFINANZ Vermögensberatungs- und Vermittlungs-GmbH	Wuppertal	DE	100.0
GBG-Consulting für betriebliche Altersversorgung GmbH	Hamburg	DE	100.0
GKC Gothaer Kunden-Service-Center GmbH	Cologne	DE	100.0
GoReLux II GP S.á.r.l.	Luxemburg	LU	100.0
Gothaer Digital GmbH	Cologne	DE	100.0
Gothaer Erste Kapitalbeteiligungsgesellschaft mbH	Cologne	DE	100.0
Gothaer Grundbesitz GmbH	Cologne	DE	100.0
Gothaer Risk-Management GmbH	Cologne	DE	100.0
Gothaer Sechste Kapitalbeteiligungsgesellschaft mbH	Pullach i. Isartal	DE	100.0
Gothaer Vertriebs-Service AG	Cologne	DE	100.0
Gothaer Zweite Beteiligungsgesellschaft Niederlande mbH	Cologne	DE	100.0
GSC Gothaer Schaden-Service-Center GmbH	Berlin	DE	100.0
GSG Garantie-Service GmbH	Freiburg i. Brsg.	DE	67.0
Intentus GmbH	Cottbus	DE	100.0
MediExpert Gesellschaft für betriebliches Gesundheitsmanagement mbH	Cologne	DE	100.0
MVVS Meine Versicherungen-Vermittlungsservice GmbH	Cologne	DE	100.0
Pensus Pensionsmanagement GmbH	Göttingen	DE	100.0
Servicegesellschaft für Beratungsleistung mbH	Wuppertal	DE	100.0

* In the case of ownership interests that are partially held indirectly, economic interests are calculated.

Joint ventures and associated companies included in the consolidated financial statements

			as %
Name	Domicile		Ownership interest*
KILOS Beteiligungs GmbH & Co. Vermietungs-KG	Pullach i. Isartal	DE	93.1
OWP Nordergründe GmbH & Co. KG	Bremen	DE	40.0
ROLAND Rechtsschutz-Versicherungs-AG	Cologne	DE	40.0

* In the case of ownership interests that are partially held indirectly, economic interests are calculated.

Joint ventures and associated companies not included in the consolidated financial statements

Pursuant to section 311 (2) HGB and DRS 27, the following joint ventures and associated companies are not included in the consolidated financial statements due to their minor significance for the Group:

			as %
Name	Domicile		Ownership interest*
LM+ - Leistungsmanagement GmbH	Cologne	DE	50.0
RCP Deutscher Solarfonds II GmbH & Co. KG	Frankfurt a.M.	DE	24.0
Wegatech Greenergy GmbH	Cologne	DE	23.8

* In the case of ownership interests that are partially held indirectly, economic interests are calculated.

Participations not included in consolidated financial statements

Name	Domicile		Ownership interest * as %	Equity	Net result for the year
					€ thousand
Accession Mezzanine Capital III L.P.	St. Helier	JE	16.9	38,629	-2,419
Achmea B.V.	Zeist	NL	1.1	9,413,000	1,303,000
BCA AG	Oberursel	DE	10.0	10,630	-708
Beechbrook Private Debt III L.P.	London	GB	15.5	91,250	-1,788
Curzon Capital Partners IV L.P.	London	GB	8.6	140,515	8,747
European Property Investors Special Opportunities 4 LP	London	GB	2.7	1,118,199	-34,015
E+S Rückversicherung AG	Hannover	DE	1.0	632,451	12,500
European Alliance Partners Company AG	Zürich	CH	12.5	11,583	435
European Solar Power Fund Nr. 1 GmbH & Co. KG	Grünwald	DE	0.9	147,117	6,510
EXTREMUS Versicherungs-Aktiengesellschaft	Cologne	DE	5.0	64,303	1,543
Falcon Strategic Partners IV, L.P.	Wilmington	US	2.8	299,560	-86,292
Falcon Strategic Partners V (Cayman), L.P.	George Town	KY	31.1	64,691	-12,256
FirstMark Capital II, L.P.	Wilmington	US	14.0	238,353	-33,662
FirstMark Capital III L.P.	Wilmington	US	13.8	518,867	-114,911
FirstMark Capital OF I, L.P.	Wilmington	US	16.9	67,245	2,500
GDV Dienstleistungs-GmbH	Hamburg	DE	1.2	36,679	3,339
HC Property Heureka I Alpha S.à.r.l.	Luxemburg	LU	5.3	23,365	228
HC Property Heureka II Beta S.à.r.l.	Luxemburg	LU	5.3	18,038	897
HC Property Heureka III Gamma S.à.r.l.	Luxemburg	LU	5.3	11,529	882
HC Property Heureka IV Delta S.à.r.l.	Luxemburg	LU	5.3	11,918	676
heal.capital I GmbH & Co. KG	Berlin	DE	12.9	62,818	-2,254
MLP SE	Wiesloch	DE	9.4	392,742	21,426
Netfonds AG	Hamburg	DE	9.5	24,649	437
Onshore Wind Portfolio 2012 GmbH & Co. KG	Frankfurt a.M.	DE	0.8	76,154	5,104
PineBridge Secondary Partners III L.P.	Wilmington	US	11.4	69,744	-2,709
PineBridge Secondary Partners IV Feeder, SLP	Luxemburg	LU	10.5	229,540	-4,554
Praesidian Capital Bridge Fund, L.P.	Wilmington	US	19.9	9,065	62
Protektor Lebensversicherungs-AG	Berlin	DE	2.7	8,202	251
RREEF Pan-European Infrastructure Feeder GmbH & Co. KG	Eschborn	DE	27.8	121,363	-21,939
Sana Kliniken AG	München	DE	6.2	775,683	51,965
SilkRoad Asia Value Parallel Fund SCS, SICAV-SIF (in liquidation)	Luxemburg	LU	14.7	206,476	-33,651
VENPACE GmbH & Co. KG	Cologne	DE	17.6	7,471	-212
WAI S.C.A., SICAV- FIS / Private Equity Secondary 2008	Luxemburg	LU	22.1	17,075	-29

* In the case of ownership interests that are partially held indirectly, economic interests are calculated.

The option set out in section 313 (3) sentence 4 HGB was exercised in drawing up the list of holdings.

The disclosures refer to the last financial year for which financial statements were available. Financial statements denominated in foreign currencies were translated into euros at the mean spot rate at balance sheet date.

Liabilities

Liabilities with a residual term of more than five years totalled € 450,000 thousand (PY: € 400,000 thousand).

Board membership and remuneration

Members of the Supervisory Board and Management are identified by name at the beginning of this report.

Remuneration paid to Management totalled € 8,886 thousand. Retirement, survivors' benefits and other payments for former members of Management came to € 6,435 thousand. Pension accruals totalling € 87,218 thousand exist for this group of individuals.

Remuneration paid to the Supervisory Board and Advisory Board totalled € 1,973 thousand.

Total fee for the statutory auditor

		€ thousand
	2025	**2024**
Auditing of financial statements	2,586	1,575
Attestation services	236	26
Other services	340	255
Total	**3,162**	**1,857**

Personnel expenses

			€ thousand
		2025	**2024**
1.	Wages and salaries	558,511	442,905
2.	Social security contributions and employee benefits	102,316	72,599
3.	Post retirement benefits	24,697	32,844
4.	**Total expenses**	**685,524**	**548,348**

Human resources on average

	2025	2024
		Persons
In house	7,312	4,843
In the field	715	538
	8,026	**5,381**
Apprentices	426	280
Total	**8,452**	**5,661**

Contingent liabilities and other financial commitments

In compliance with section 28 (1) EGHGB, accruals of € 3,627 thousand have not been recognized for pension-related obligations for which a legal entitlement was acquired prior to 1 January 1987.

At year-end, contributions totalling € 3,457,455 thousand (including € 109,629 thousand due to affiliated companies) were outstanding for shares held by the Company in affiliated companies and associates as well as for other investments.

Other financial commitments arising from long-term leasing and rental agreements totalled € 127,605 thousand at balance sheet date.

Our membership in the “Verkehrsopferhilfe e.V.” association, Hamburg, entails an obligation to contribute to the funds that this association requires to carry out its activities. Our contribution is based on our share of the premium income generated by member companies from direct motor liability insurance in the year prior to the previous calendar year.

Section 221 ff. of the German Insurance Supervision Act (VAG) requires health insurers to be members of a guarantee fund. After the assumption of insurance contracts, the fund can levy special contributions up to 2 ‰ of the sum of net underwriting reserves for the fulfilment of its duties.

In accordance with section 221 ff. VAG, Gothaer Lebensversicherung AG is member of the life insurers' guarantee fund. Gothaer Pensionskasse AG has exercised its right under section 221 (2) VAG to voluntarily join the guarantee fund for life insurers. In addition to the obligatory current contributions, the fund can levy special contributions up to 1 ‰ of the sum of net underwriting reserves on the basis of the Guarantee Fund Financing Ordinance (Life). Furthermore, in the event of the fund not having the resources needed to handle a rescue case, Gothaer Pensionskasse AG has committed to make financial resources available to the guarantee fund – or alternatively to Protektor Lebensversicherungs-AG – in an amount equal to 1 % of the sum of net underwriting reserves, taking account of the contributions already made to the guarantee fund. The total commitment to the guarantee fund at balance sheet date was € 252,765 thousand.

Letters of comfort have been issued by Barmenia Krankenversicherung AG to meet repayment obligations arising from brokerage fees paid in advance; however, given the positive performance of the subsidiaries, no claims are expected to be made.

BarmeniaGothaer AG has issued a declaration of support vis-à-vis the reinsurer in relation to a reinsurance contract of Gothaer Lebensversicherung AG. A pledged deposit was created to collateralize the declaration of support. The company's liability is limited to € 12,000 thousand. Due to the financial situation of Gothaer Lebensversicherung AG, the probability of a liability event occurring is considered to be low.

A guarantee was assumed for employee-financed pension commitments of an affiliated company in the amount of € 68 thousand.

Global minimum taxation

The BEPS Pillar 2 regulations were transposed into German law (Minimum Tax Act, MinStG) and came into force on 1 January 2024. The BarmeniaGothaer Group falls within the scope of these regulations.

The BarmeniaGothaer Group conducted an analysis on the reporting date to determine the extent to which the Group is affected and the jurisdictions in which it is exposed to potential impacts in connection with a minimum effective tax rate under Pillar Two. The analysis first examined whether the Transitional CbCR Safe Harbour regulations apply and this is the case in the majority of the countries in which the BarmeniaGothaer Group operates. Based on the calculations performed in the tests, no significant minimum tax payments are expected as at 31 December 2025.

The BarmeniaGothaer Group applies the exemption pursuant to section 274 (3) HGB, according to which no deferred tax assets or liabilities in connection with the OECD's second pillar (BEPS Pillar 2) income taxes are recognized in the balance sheet and no disclosures are made in this regard.

The BarmeniaGothaer Group is closely monitoring the progress of the legislative process in each country in which the Group operates.

Events of special significance

Since 28 February 2026, the United States of America and the State of Israel have been at war with the Islamic Republic of Iran. There is currently no end in sight to this Middle East conflict.

Direct implications for the net assets, financial position or results of operations of the BarmeniaGothaer Konzern are not envisaged. There are no significant exposures in either underwriting or investments. However, disruptions in the supply chains, particularly in the energy sector, increase the general inflation risk and the risk of potentially longer-term and more pronounced secondary effects. Since the beginning of the Middle East war, the stock markets have fallen, as have the bond markets with the rise in interest rates. It is currently not possible to quantify or concretize these effects due to the dynamics of the current situation.

Proposal for the appropriation of profit

The profit for the year registered by our parent company BarmeniaGothaer AG was € 79,604,555.07. It is proposed that an amount of € 49,500,000.00 be allocated to other revenue reserves, € 104,555.07 be carried forward and € 30,000,000.00 be distributed to shareholders.

Cologne, 9 April 2026

The Management Board

Dr. Andreas Eurich	Oliver Schoeller	Thomas Bischof
Alina vom Bruck	Dr. Sylvia Eichelberg	Harald Epple
Frank Lamsfuß	Christian Ritz	

Independent Auditors' Report

BarmeniaGothaer AG, Cologne

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the consolidated financial statements of BarmeniaGothaer AG (formerly Barmenia.Gothaer Finanzholding AG), Cologne and its subsidiaries (the Group) – comprising the consolidated statement of financial position as at 31 December 2025, the consolidated income statement, statement of changes in equity and statement of cash flows for the financial year from 1 January to 31 December 2025 and the notes to the consolidated financial statements, including the presentation of accounting and valuation policies. We have also audited the Group management report of BarmeniaGothaer AG, Cologne for the financial year from 1 January to 31 December 2025. In accordance with German statutory requirements, we have not audited the content of the parts of the Group management report referred to in the "Other information" section of our auditor's report.

In our opinion, based on the knowledge obtained in the course of the audit,

– the accompanying consolidated financial statements comply in all material respects with the rules of German commercial law that is applicable to insurance undertakings and, in accordance with German general accounting principles, present a true and fair picture of the net assets and financial position of the Group as at 31 December 2025 as well as the results of its operations from 1 January to 31 December 2025 and

– the accompanying Group management report as a whole provides an accurate view of the situation of the Group. In all material respects, this Group management report is consistent with the consolidated financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development. Our audit opinion on the Group management report does not cover the parts of the Group management report referred to in the "Other information" section of our auditor's report.

Pursuant to section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not resulted in any reservations with regard to the legal compliance of the consolidated financial statements or the Group management report.

BASIS FOR THE AUTDIT OPINIONS

We conducted our audit of the consolidated financial statements and the Group management report in accordance with section 317 HGB and the EU Audit Regulation (No. 537/2014, hereinafter referred to as "EU Audit Regulation"), observing the German Generally Accepted Standards on Auditing as promulgated by the Institut der Wirtschaftsprüfer (IDW – Institute of Public Auditors in Germany). Our responsibilities under those regulations and standards are described in more detail in the section of our auditor's report headed "Auditor's responsibilities for the audit of the consolidated financial statements and the group management report". We are independent of the Group companies 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, we declare in accordance with Art. 10 (2) f) of the EU Audit Regulation that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained provides an adequate and reasonable basis for our opinions on the consolidated financial statements and Group management report.

KEY AUTDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2025. These matters were considered in the context of our audit of the consolidated financial statements as a whole and in the process of forming our audit opinion on them; we do not provide a separate audit opinion on these matters.

1 VALUATION OF INVESTMENTS IN UNIT TRUSTS OR FUNDS RECOGNIZED AS FIXED ASSETS

Related information in the financial statements

The „Investments“ subsection of „Accounting and Valuation Policies“ in the notes to the consolidated financial statements of the Group contains information on the recognition and valuation of shares in investment funds.

Audit matters and risks

The audit of the shares or units in investment funds recognized as fixed assets was particularly important due to the significance of the item in the consolidated balance sheet (€ 36,374,511 thousand) and the considerable assessment scope that can be associated with measurement (and fair value disclosures in the notes to the consolidated financial statements).

In accordance with section 341b (2) HGB, the Group has largely designated shares in investment funds – which make up the major part of the balance sheet item shares, investments in unit trusts or funds and other non-fixed-interest securities – as being held to serve business operations on a permanent basis. These shares in investment funds are valued in accordance with the valuation rules applicable to fixed assets. In principle, they are recognized in the balance sheet at cost. Depreciation is recognized only in the case of permanent impairment and write-ups are performed if the reason for impairment no longer exists. Fair value is determined by means of a fund review.

The valuation methods used to determine fair value are influenced by discretionary decisions and assumptions made by the legal representatives. There is always a risk that a probable permanent impairment has not been recognized in the consolidated financial statements, and that, as a result, a write-down to fair value at the balance sheet date has not been made.

Audit procedure and findings

In the case of the audited subsidiaries, we audited the shares or units in investment funds recognized by the Group as fixed assets as follows:

We satisfied ourselves on the basis of the liquidity plans presented that the Group has the ability to hold the shares in investment funds recognized as fixed assets on a permanent basis.

Furthermore, we examined the process used to determine the fair value of the shares in investment funds, in particular with regard to the existence and effectiveness of internal controls designed to ensure the correct determination and processing of fair values.

We also performed an assessment of the methods used to determine the conformity and consistency of the fair values. At the same time, we assessed the application of the rules announced by the IDW Insurance Committee.

Furthermore, we verified the entry of the fund data in the investment sub-ledger and subsequently in the calculation document. We also checked that the calculation logic was correctly implemented in the calculation document and satisfied ourselves of the mathematical accuracy for randomly selected shares in investment funds.

2 ASSESSMENT OF THE IMPAIRMENT OF INVESTMENTS IN DEBT SECURITIES AND PROMISSORY NOTES RELATING TO REAL ESTATE

Related information in the financial statements

The notes to the consolidated financial statements contain information on the recognition and measurement of investments in the “Investments” subsection of the “Accounting and valuation policies” section.

Audit matters and risks

As at 31 December 2025, the Group’s investment portfolio includes investments in bonds and promissory notes relating to real estate. These investments are recognized under bearer bonds and other fixed-interest securities, as well as under other loans. The real estate-backed investments comprise senior-secured portfolio, refurbishment and development financing as well as debt securities issued by real estate financing funds. The carrying amount of the real estate-backed bearer bonds as at 31 December 2025 is € 128,145 thousand and the carrying amount of the real estate-backed promissory notes and loans is € 270,822 thousand. The fair value as at the balance sheet date is € 404,400 thousand. This results in corresponding net hidden reserves totalling € 5,433 thousand. Depreciation and amortization amounting to € 74,837 thousand was recognized in the 2025 financial year. Due to the resulting material impact on the Group’s net assets and results of operations and the considerable assessment scope (including the fair value disclosures in the notes), the assessment of the impairment of real estate-related investments was of particular significance in the context of our audit.

The bonds and promissory note receivables relating to real estate were designated, either through the exercise of the accounting option pursuant to section 341b (2) HGB or by operation of law pursuant to section 341b (1) HGB, as assets intended to serve the business operations on a permanent basis. Accordingly, they are measured as fixed assets. They are recognized either at the lower of cost or fair value. If the carrying amounts of these securities exceed the fair value, an individual assessment is made on the basis of qualitative and quantitative criteria to determine whether the impairment is likely to be permanent.

The valuation methods used to determine fair value are influenced by discretionary decisions and assumptions made by the legal representatives. There is always a risk that a probable permanent impairment has not been recognized in the consolidated financial statements, and that, as a result, a write-down to fair value at the balance sheet date has not been made.

Audit procedure and findings

To assess the impairment of investments in bonds and promissory note receivables relating to real estate, we performed the following audit procedures in particular:

We initially examined the process used to determine fair value and assess the impairment of investments relating to real estate, in particular with regard to the existence and effectiveness of internal controls designed to ensure the correct determination and assessment of fair values.

We also evaluated the methods used to determine the conformity and consistency of the fair values. In this process, we analyzed the client's explanations, records and documentation.

In individual cases, we verified the determination of the fair value and satisfied ourselves of the mathematical accuracy.

We also evaluated whether the recognized write-downs were appropriate in cases of permanent impairment.

3 VALUATION OF THE GROSS POLICY RESERVE

Related information in the financial statements

The consolidated financial statements of the Group contain information on the measurement of the gross policy reserve in the "Underwriting reserves" subsection of the "Accounting and valuation policies" section.

Audit matters and risks

The consolidated financial statements show a gross underwriting reserve of € 42,331,913 thousand. This corresponds to 71.2 % of the balance sheet total and materially affects the net assets of the Company.

The tariff-dependent valuation of the policy reserve in the life insurance segment is performed in accordance with section 341f HGB and section 25 of the Ordinance Governing the Accounting Practices of Insurance Companies (RechVersV) on a policy-by-policy and prospective basis and is calculated by subtracting the present value of future premiums from the present value of future benefits. The basis is formed by the bases for calculation notified to the supervisory authority pursuant to section 143 VAG or the business plans approved by the supervisory authority.

Valuation is based on biometric assumptions and assumptions on cost and interest rate developments, additionally taking into account the regulations governing additional interest reserves and an interest rate reinforcement in the existing portfolio. The risk for the consolidated financial statements is that policy data are not fully taken into account in the calculation and that the policy reserve is under- or overvalued as a result of incorrect application or determination of the calculation parameters. Due to the complexity of the valuation and its materiality for the consolidated financial statements as at 31 December 2025, this is a particularly important audit matter.

The gross policy reserve in health insurance is basically the sum of the ageing provisions calculated for each individual policy. Depending on the tariff, the ageing provisions of the individual policies are generally calculated automatically.

The policy reserve essentially consists of the tariff-based ageing provision, the accumulated funds from the direct credit pursuant to section 150 VAG and the reserve for the statutory loading pursuant to section 149 VAG.

In addition to the rules of commercial law, supervisory regulations must also be taken into account. The assumptions made for calculating premiums must also be used for calculating ageing provisions. Key factors here are interest rate, lapse rate and calculated per capita claims, i.e. average claims payments per person per year. The rate of change as the insured person advances in age particularly needs to be taken into account in the calculated per capita claims. In the case of premium adjustments, changes in assumptions may only be implemented after approval by the independent trustee.

Due to the high complexity of the process of calculating ageing provisions, there is a risk for the financial statements that the amount of ageing provision fails to meet legal requirements. As a result – and due to the significance of the amounts for the consolidated financial statements as at 31 December 2025 – the valuation of the gross policy reserves in life and health insurance was a particularly important audit matter.

Audit procedure and findings

We have audited the gross policy reserve for the life insurance segment formed by the Group as follows:

First of all, we noted the procedures adopted by the Group to determine and recognize the policy reserve. We satisfied ourselves that the relevant controls for the valuation of the policy reserve were appropriate and implemented and we verified their viability by control testing. We particularly focused on the controls for ensuring the completeness and accuracy of policy data in the portfolio management system and the controls for calculating the policy reserves for individual contracts.

Based on this, we performed substantive procedures on the valuation of the policy reserve, including interest reinforcement (additional interest reserve and interest reinforcement for the existing portfolio). We spot-checked the results obtained by the Group for policy reserves for individual policies and verified that the valuation methods used were applied consistently. In this connection, we also examined whether interest rate reinforcements were determined in accordance with legal/business plan stipulations and whether assumptions on cancellation and capital settlement probabilities were made in a transparent manner. We also examined whether the general or individually adjusted tables published by the German Association of Actuaries (Deutsche Aktuarvereinigung - DAV) were properly applied. At the same time, we employed an internal profit breakdown to satisfy ourselves that there were no long-term negative risk results.

We also evaluated the draft report of the responsible actuary. In particular, we examined the assessment therein of the valuation parameters used in the valuation of the gross policy reserve, checked that they were appropriate and satisfied ourselves that the report does not contain any statements that contradict our audit results.

We have audited the gross policy reserve formed by the Group for the health insurance segment for the subsidiaries included in our audit as follows:

First of all, we noted the procedures adopted by the Group to determine and recognize the policy reserve. We satisfied ourselves that the relevant controls for the valuation of the policy reserve were appropriate and implemented and we verified their viability by control testing. We particularly focused on the controls for ensuring the completeness and accuracy of policy data in the portfolio management system and the controls for ensuring that new tariffs and assumption changes were recognized correctly.

Based on this, we performed substantive procedures on the valuation of the policy reserve. For a random selection of policies in force, we recalculated the ageing provisions to verify whether the ageing provisions for individual policies were determined in line with the specifications of the so-called ”Technische Berechnungsgrundlagen“ (Technical Calculation Bases). At the same time, we checked whether the calculation assumptions made on actuarial interest rate, calculated per capita claims and mortality and lapse tables were consistent with those made for calculating premiums.

We then satisfied ourselves that the independent trustee approved the changes in the premium adjustments made in the financial year. In the case of changes in the actuarial interest rate, we verified that the actuarial interest rate applied was in line with the actuarial corporate interest rate. For deliberately selected individual cases, we checked that the new bases for calculation were applied correctly. We also verified the calculation of the limitation funds from the reserve for premium refunds.

With regard to the gross policy reserve, we analyzed the changes from the previous year for each tariff category. We also isolated known factors such as limitation funds from reserves for premium refunds, direct credits, actuarial interest and Zillmer adjustments from the overall change in the policy reserve and analyzed the remaining change over time.

In addition, we retraced the calculation of the direct credit from net return pursuant to section 150 (1) and (2) VAG and reconciled the corresponding write-up to the policy reserve.

In our audit activities we also took into account the work of other auditors who audited Group subsidiaries.

The audit was performed with the help of our own specialists with knowledge of actuarial mathematics.

4 VALUATION OF THE PARTIAL LOSS RESERVES FOR KNOWN AND UNKNOWN CLAIMS INCLUDED IN THE GROSS RESERVE FOR OUTSTANDING CLAIMS IN PROPERTY AND CASUALTY INSURANCE

Related information in the fiancial statements

The consolidated financial statements of the Group contain information on the measurement of the reserve for outstanding claims in the “Underwriting reserves” subsection of the ”Accounting and valuation policies” section.

Audit matters and risks

The consolidated financial statements show a gross reserve for outstanding claims of € 4,710,192 thousand. This corresponds to 7.9 % of the balance sheet total and materially affects the net assets of the Group.

The gross reserve for outstanding claims is divided into various partial loss reserves. A substantial part of the gross reserve for outstanding claims comprises the partial loss reserves for known and unknown claims.

The obligations recognized in the partial loss reserves for known and unknown claims are estimated values, the estimation of which is the responsibility of the Group's legal representatives. The methods, assumptions and parameters used in determining these estimates are based on both past and future expected developments and include discretionary decisions and uncertainties on the part of the legal representatives in the assessment of known events and events that have already occurred but will only become known in the future. Estimated values therefore carry an increased risk of misstatements in the financial statements.

Audit procedure and findings

We have audited the partial loss reserves formed by the Group for known and unknown claims as follows:

First of all, we gained an understanding of the processes used to determine the gross partial loss reserves for known and unknown claims. Based on this, we performed an audit of the design and operation of the key internal controls embedded in the claims settlement process to ensure that the required reserves are complete and correct.

To verify the valuation of the partial loss reserve for unknown claims, we retraced the Group's calculation for selected risk-oriented lines and classes of insurance to establish the volume of unknown IBNR claims. In particular, we assessed the parameters used on the basis of historical experience and current developments. With regard to known claims not yet settled at balance sheet date, we performed substantive testing on risk-oriented and random samples of claims to verify the correctness of the claim file management and the appropriateness of the reserve that was formed. At the same time, we examined the records to verify the estimates of probable loss for various lines and classes of insurance.

In addition, we analyzed the actual development of the previous-year reserve for outstanding claims on the basis of the run-off results.

We checked the plausibility of the development of the outstanding claims reserve on the basis of key figure and time series analyses.

We also performed our own actuarial reserve calculations for selected segments, which were chosen specifically on the basis of risk considerations. In each case, we estimated the total (gross) claims expenditure in order to verify the adequacy of the reserves for outstanding claims and the level of security achieved.

The audit was performed with the help of our own specialists with knowledge of actuarial mathematics.

OTHER INFORMATION

Other information is provided by the legal representatives and/or the Supervisory Board. It comprises the following non-audited parts of the Group annual report:

- the Group governance statement pursuant to section 315d and 289f (4) HGB, which is included in the “Gender diversity” section of the Group management report,
- the Non-financial Group report included in the ”Non-financial Group statement” section of the Group report.

Other information also includes:

- the report of the Supervisory Board and
- the other parts of the annual report – without further cross-references to external information – with the exception of the audited consolidated financial statements and Group management report as well as our auditor's report.

The Supervisory Board is responsible for the report of the Supervisory Board. The legal representatives are responsible for the other information.

Our audit opinions on the consolidated financial statements and Group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of audit conclusion with regard to the other information.

In connection with our audit, our responsibility is to read the other information and consider

- whether it is materially inconsistent with the consolidated financial statements, the Group management report or the knowledge we obtained in the audit, or
- whether it otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND GROUP MANAGEMENT REPORT

The legal representatives are responsible for conformity of the preparation of the consolidated financial statements in all material respects to the German commercial law provisions, which apply to insurance undertakings, and that generally accepted German accounting principles are applied to ensure that the consolidated financial statements provide a true and fair view of the Group’s net assets, financial position and results of operations. In addition, the legal representatives are responsible for such internal control as they have determined necessary, in accordance with generally accepted German accounting principles to permit the preparation of consolidated financial statements that are free from material misstatement as a result of malicious acts (i.e. manipulation of accounts and damage to assets) or errors.

When the consolidated financial statements are prepared the legal representatives are responsible for making an accurate assessment of the Group’s going concern status. They are also responsible for disclosing matters relating to the going concern of the entity, if relevant. In addition, they are responsible for ensuring that the balance sheet is prepared on the basis of the going concern accounting principle unless this is not possible due to conflicting matters of fact or law.

The legal representatives are also responsible for the preparation of the Group management report, which provides an accurate picture of the Group's position, and for ensuring it is consistent in all material respects with the consolidated financial statements, conforms to German statutory requirements and accurately conveys the opportunities and risks of future development. Furthermore, the legal representatives are responsible for taking precautions and measures (systems) which they deem necessary for the preparation of the Group management report in conformity with German statutory requirements and for providing sufficient evidence to support the statements made in the Group management report.

The Supervisory Board is responsible for overseeing the financial reporting process for the preparation of the consolidated financial statements and Group management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement as a result of malicious acts or errors and whether the Group management report as a whole provides an accurate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the requirements of German law and accurately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and Group management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with section 317 HGB and the EU Audit Regulation and in compliance with the German Generally Accepted Standards on Auditing promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from malicious acts or errors and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the present consolidated financial statements and Group management report.

During the audit we exercise professional judgement and skepticism. Furthermore, we

– identify and assess the risks of material misstatement in the consolidated financial statements and Group management report due to malicious acts or errors, 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 a material misstatement due to malicious acts going undetected is higher than the risk of material misstatement due to error because malicious acts may involve collusion, forgery, deliberate omissions, misrepresentations or the overriding of internal control mechanisms.

– obtain an understanding of the internal controls which are relevant for the audit of the annual financial statements, and the precautions and measures taken which are relevant for the audit of the Group management report, in order to plan appropriate audit procedures under the circumstances, however not with the objective of issuing an audit opinion on the effectiveness of the Group's internal controls, precautions and measures.

– assess the appropriateness of the accounting methods used by the legal representatives and the plausibility of the estimates and related statements provided by the legal representatives.

- conclude on the appropriateness of the legal representatives' use of the going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are legally required to make reference to the pertinent disclosures in the consolidated financial statements and the Group management report and, if disclosures are inappropriate, to modify our audit opinion. We base our conclusions on the audit evidence obtained up to the date of our audit opinion. Future events or circumstances can, however, affect the Group's ability to continue operating as a going concern.

- evaluate the presentation, structure and content of the consolidated financial statements, including the disclosures, and assess whether the consolidated financial statements present the underlying transactions and events in such a way as to present a true and fair picture of the net assets, financial position and results of the operations of the Group in compliance with German general accounting principles.

- plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence about the accounting information of the companies or business activities within the Group as the basis for our audit opinions on the consolidated financial statements and the Group management report. We are responsible for the direction, supervision and review of the audit activities performed for the purpose of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.

- evaluate the consistency of the Group management report with the consolidated financial statements, its conformity with German law and the view of the Group's position that it provides.

- audit the forward-looking statements made by the legal representatives in the Group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the forward-looking statements, and assess the proper derivation of the forward-looking statements from these assumptions. We do not express a separate audit opinion on the forward-looking statements or the assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking statements.

Among other matters, we discuss the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal controls that we identify in the course of our audit, with those responsible for supervision.

We provide those responsible for supervision with a statement confirming that we have complied with the relevant independence requirements and discuss with them any relationships or other matters that might reasonably be thought to have a bearing on our independence and, where relevant, the actions taken or safeguards implemented to address threats to that independence.

Of the matters discussed with those responsible for supervision, we identify the matters that were of most significance in the audit of the consolidated financial statements for the current reporting period and therefore constitute the key audit matters. We describe these matters in our auditor's report unless public disclosure is precluded by law or regulation.

OTHER STATUTORY AND LEGAL REQUIREMENTS

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditor at the annual general meeting on 8 May 2025. We were appointed by the Supervisory Board on 23 September 2025. We have acted continuously as auditor for BarmeniaGothaer AG since the 2024 financial year.

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

In addition to performing the audit, we provided the following services that were not disclosed in the consolidated financial statements or Group management report for the Group companies:

- For the audited company: a business audit of selected business relationships of the company body representatives

- For the controlled companies: reviews of annual financial statements, preparation of a certificate for a foreign authority, performance of an audit in accordance with the FinVermV, performance of an EdW contribution audit, verification of notifications of contributions pursuant to SichLVFinV, audit in accordance with the WpHG, an audit and certification of compliance with procedures for submission to BaFin, a business audit of selected business relationships of the company body representatives, a special audit to analyze the influence of the premium adjustment on the underwriting profit ratio, issue of a comfort letter and a bring-down comfort letter

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Elke Stümper.

Cologne, 23 April 2026

Forvis Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Thomas Volkmer	Elke Stümper
Auditor	Auditor

Report of the Supervisory Board

Legal bases

The Supervisory Board is the control body of BarmeniaGothaer AG. The relevant provisions of the German Stock Corporation Act (AktG) and the German Insurance Supervision Act (VAG) serve as the legal basis for its work. The actions of the Supervisory Board are additionally regulated by the articles of association of BarmeniaGothaer AG and the rules of procedure. The Supervisory Board is required to appropriately control and monitor the Management Board and to be actively involved in the Company's development. When performing its monitoring and advisory function, the Supervisory Board considers not only the legality and propriety of the Management Board's activities, but also their appropriateness and efficiency.

In the 2025 financial year, the Company's Management Board passed resolutions with the approval of the Supervisory Board that affected the structure and composition of the Supervisory Board of BarmeniaGothaer AG. It was decided to establish the single employer organization BarmeniaGothaer AG, which had traded as Barmenia.Gothaer Finanzholding AG until 19 December 2025, on 1 January 2026. This change was effected by the conclusion of corresponding service and function outsourcing agreements and the transfer of all employees of Barmenia Krankenversicherung AG, Barmenia Allgemeine Versicherungs-AG, Gothaer Allgemeine Versicherung AG, Gothaer Krankenversicherung AG, Gothaer Lebensversicherung AG, Gothaer Solutions GmbH and GKC Gothaer Kunden-Service-Center GmbH to BarmeniaGothaer AG by way of a transfer of undertaking pursuant to section 613a (5) BGB. Prior to this, the corporate purpose of BarmeniaGothaer AG had been amended in the articles of association to reflect the new activities with the approval of the member representatives of Barmenia Versicherungen a.G. and Gothaer Versicherungsbank VVaG.

Supervisory Board changes

Gabriele Eick resigned from the Supervisory Board of BarmeniaGothaer AG on 8 May 2025. The Supervisory Board would like to thank Gabriele Eick for her many years of highly valuable service to the company. The Annual General Meeting elected Dr. Dirk Niedermeyer to the Board in her place.

The employee representatives on the Supervisory Board will be newly elected in 2026. The term of office of these members is expected to commence in July 2026.

The work of the Supervisory Board

Principles

The Supervisory Board diligently and conscientiously monitored the Management Board's actions. Three Supervisory Board meetings were held in the 2025 financial year. The Supervisory Board received comprehensive written and verbal information from the Management Board on strategic and operational issues relating to business policy and corporate planning at meetings and in reports during the year. As part of these supervisory activities, it also received reports on the development and results of the subsidiaries. The current net assets, financial position and results of operations, personnel and sales development, as well as significant business transactions, were discussed in detail. As in previous years, one of the key focuses of the consultations was the implementation and further development of the corporate strategy.

The Supervisory Board also examined the Company's internal control systems in detail. In this context, it was provided with reports on the principal activities of the internal audit function, the compliance function, the actuarial function and the risk management function, as well as on the work of the individuals responsible for these four key functions.

On the basis of timely risk reports at regular intervals the Supervisory Board satisfied itself that an appropriate level of risk management is ensured in accordance with section 26 VAG and section 91 AktG. As part of these supervisory activities, it also received reports on the development and results of the subsidiaries.

Measures requiring the approval of the Supervisory Board in accordance with the law, the articles of association or the rules of procedure were discussed and decisions were made on the basis of the documents submitted.

Meetings and communication

The Supervisory Board Chair and the respective Management Board Chairs met at regular intervals outside the meetings to discuss current market developments and the Company's business situation. The Supervisory Board Chair was also in personal contact with the auditor on the issue of the annual financial statements. In addition, the Supervisory Board passed further written resolutions.

Committees

In order to fulfil its legal and statutory obligations in a solution-focused and efficient manner, the Supervisory Board formed committees. The committees all successfully completed the tasks assigned to them in the year under review.

The members of the risk & audit committee were Anke Düsterloh, Professor Johanna Hey, Götz Schneider and Antje Voous, and three meetings were held. The risk & audit committee meeting in September 2025 focussed on the Company's current risk situation and the results of the mid-year Own Risk and Solvency Assessment (ORSA). The committee discussed the key risk indicators and risk-bearing capacity within the Group as well as the potential impact of the capital market environment on solvency. The current ratings from S&P Global Ratings (financial strength rating) and Assekurata Assekuranz Rating-Agentur GmbH (Group sustainability rating) were also discussed. The risk & audit committee also dealt with other focal points of the audit, including the costs incurred in the course of the merger and the relationships of Board members with the Group. At the risk & audit committee meeting in December 2025, the persons responsible for the so-called key functions reported on the results from their areas of responsibility. The audit report, including audit planning, was also discussed. Furthermore, the auditor Forvis Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Cologne, provided an outlook on the audit of the 2025 annual financial statements at the risk & audit committee meeting in December 2025. Other topics discussed at the meeting included the report on the internal control system (ICS), as well as IT security and cyber resilience issues. The risk & audit committee met in April 2026 to prepare for the Supervisory Board's examination of the annual financial statements for the 2025 financial year. At this meeting, which was also attended by representatives of the auditor, topics extensively discussed included the annual financial statements, the management report, the proposal for the appropriation of profits and the dependency report, the consolidated financial statements and the associated Group management report. The auditor's report was discussed in detail.

The investment committee, whose members are Antje Eichelmann, Professor Johanna Hey, Professor Heike Jochum, Corinna Otto and Christian Rother, met on three occasions. Key topics discussed included the global economic situation and the outlook for the capital markets. The committee analyzed the performance and results of the investments for the 2025 financial year, compared key figures with those of the industry, and discussed the future methodology for strategic asset allocation (SAA). It also consulted on the long-term environmental, social and governance (ESG) objectives for investments. Adjustments to the capital investment guidelines were also discussed and approved.

The sustainability committee members are Anke Düsterloh, Professor Johanna Hey and Matthias Rottwinkel. It met twice in the year under review. Topics discussed include the Group's sustainability management activities and the sustainability rating from the Assekurata rating agency, which awarded the BarmeniaGothaer Group the top AA+ rating in December 2025. The committee also consulted on the further development of the Group-wide sustainability strategy, sustainability reporting and the incorporation of ESG criteria in business processes.

The members of the management board committee were Dr. h. c. Josef Beutelmann, Jürgen Wolfgang Kirchhoff and Peter-Josef Schützeichel and three meetings were held. At those meetings, the committee discussed contract-related matters, the target system and the achievement of the agreed targets by the Management Board members. It also approved secondary occupations of the Management Board members.

The members of the mediation committee in the year under review were Dr. h. c. Josef Beutelmann, Professor Werner Görg, Peter-Josef Schützeichel and Antje Voous. Once again, it was not necessary to convene the mediation committee in 2025.

Main issues advised on

One particular focus of the Supervisory Board's work in the year under review was supporting the integration process following the formation of the BarmeniaGothaer Group. The Supervisory Board was able to satisfy itself that the integration projects are being advanced in a structured manner through effective project management, that timelines have been complied with and that the information flows between the Management Board, Supervisory Board and other bodies are well organized and efficient. In addition, the workforce was continuously and appropriately informed about important progress milestones and decisions. Key elements of the strategic reorientation were discussed in constructive talks with the Management Board, with the Supervisory Board providing advice and support. The discussions focused on the development of a long-term, sustainable Group strategy, further advancing BarmeniaGothaer AG (formerly Barmenia.Gothaer Finanzholding AG) as a new employer organization, which is dealt with in greater detail in the following paragraph, and consolidating the sales channels. In particular, the Supervisory Board believes that the merger of the previously independent distribution channels in 2026 will create a unified and powerful own sales organization. The Supervisory Board is confident that the new sales organization will strengthen the Group's market presence. The Supervisory Board considered the associated measures to be effective and came to the conclusion that the integration process is being implemented systematically, strategically and sustainably. The Supervisory Board expressly welcomes these measures. They establish the framework for a unified employer organization and consolidated personnel management. The merger of the independent distribution channels to create one single, large-scale sales organization has a stabilizing effect for the Group.

In connection with the integration process, the Management Board of BarmeniaGothaer AG passed key resolutions on the further development of the Group structure. These were taken in close consultation with and with the approval of the Supervisory Board. At the core of these decisions was the establishment of the employer organization BarmeniaGothaer AG on 1 January 2026, which was operated under the name Barmenia.Gothaer Finanzholding AG until 19 December 2025. This completes the organizational integration of the Group's workforce, which is based on corresponding service and function outsourcing agreements and the transfer of all employees of Barmenia Allgemeine Versicherungs-AG, Gothaer Allgemeine Versicherung AG, Barmenia Krankenversicherung AG, Gothaer Krankenversicherung AG, Gothaer Lebensversicherung AG, Gothaer Solutions GmbH and GKC Gothaer Kunden-Service-Center GmbH to BarmeniaGothaer AG by way of a transfer of undertaking pursuant to section 613a (5) BGB. Prior to this, the Company's corporate purpose had been amended in the articles of association to reflect the expanded activities and future bundled operations with the approval of the member representatives of Barmenia Versicherungen a.G. and Gothaer Versicherungsbank VVaG. The Supervisory Board welcomes this measure as a further consistent step in the integration process, which will create the conditions for a unified employer organization and consolidated personnel management. It will also strengthen the organizational and legal framework, thereby ensuring that future collaborative processes within the Group are efficient and forward-looking.

Further topics of discussion were the macroeconomic environment and other external factors of competition in the insurance industry, as well as their implications for business policy. The Supervisory Board also received regular, detailed reports on the ongoing risks arising from the challenging capital market environment and the resulting impact on investment management, investment performance and solvency, and discussed these matters in depth. Topics regularly addressed in the discussions included the development of new business, the portfolio, personnel and earnings, as well as the resulting consequences for the single-entity and consolidated financial statements. Focal issues included the competitive framework, product design, marketing and the development of revenue and costs. During the reporting period, the Supervisory Board also considered service quality-related issues and discussed the analyses and measures proposed by the Management Board in this connection at length.

In addition, the Supervisory Board considered the expansion of digitalization in detail. It was informed about current and planned initiatives for the use of AI technology in service and contract management, as well as internal process optimization, and it discussed the associated opportunities and challenges. In this connection, the Supervisory Board was comprehensively informed about the advancement of AI-based digitalization as part of the service strategy.

The Supervisory Board also regularly satisfied itself that the requirements of Solvency II and, in particular, public reporting obligations (Solvency and Financial Condition Report – SFCR) were being met. It also considered conceivable insurance-specific developments, such as compulsory natural hazard insurance, discussed the ensuing solvency requirements and addressed the implementation of reporting requirements in accordance with section 289b ff. HGB.

BarmeniaGothaer AG prepares the consolidated financial statements for the BarmeniaGothaer Group. Pursuant to section 315b (1) HGB it is required to supplement the financial statements with a non-financial statement. This statement is published on the Company's website and in the company register as part of the consolidated financial statements.

Training

In line with the stipulations of the Federal Financial Supervisory Authority (BaFin), the members of the Supervisory Board conducted a self-appraisal, assessing their knowledge of investment, underwriting, accounting and auditing. This appraisal forms the basis for an education and training programme drawn up by the Supervisory Board each year to identify the topics in which all or individual members will deepen their knowledge.

Key training areas in 2025 covered both insurance-specific and cross-cutting topics, including an analysis of the limits of insurability based on natural hazard insurance, with a focus on the challenges of risk-bearing in private-sector collectives and possible models for obligatory natural hazard insurance. The Supervisory Board also considered current developments in the area of sustainability and regulatory reporting requirements, particularly the requirements of the Corporate Sustainability Reporting Directive (CSRD), the implementation status of the Climate Transition Plan and the associated regulatory requirements. Another important topic was the use of artificial intelligence (AI). General areas of application within insurance companies, specific use cases and projects within the BarmeniaGothaer Group were presented to and discussed by the Supervisory Board. Members of the Supervisory Board also took part in audit compliance training on income tax disclosure obligations with a particular focus on public country-by-country reporting. The Supervisory Board's role in performing its review function was examined in greater depth to ensure that this function is being exercised appropriately and effectively. Another element of the training measures was the Management Board's presentation of the "TogetherStrong" long-term Group strategy, which was analyzed in conjunction with the Supervisory Board and evaluated in terms of future opportunities and challenges.

Annual financial statements audit

The annual financial statements for the 2025 financial year and the accompanying management report, as well as the consolidated financial statements and the accompanying Group management report, were audited by Forvis Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Cologne. In each case, the audit included an assessment of the early risk warning system.

Both sets of financial statements received an unqualified audit opinion from the audit firm pursuant to section 322 HGB. The auditors attended the Supervisory Board's balance sheet meeting, where they reported on material results of the audit. The Supervisory Board received the audit reports submitted and took note of and approved the results of the audit.

After examining the annual financial statements, the management report and the proposal for the appropriation of profits for the 2025 financial year as well as the consolidated financial statements and the Group management report submitted to it, the Supervisory Board raised no objections. It approved the financial statements and the consolidated financial statements for the year 2025. The financial statements are therefore adopted pursuant to section 172 AktG.

The Supervisory Board also examined and approved the report on relationships with affiliated companies submitted by the Management Board in accordance with section 312 of the German Stock Corporation Act. It concurs with the findings of the auditors, who have issued the following audit opinion:

“Having duly examined and assessed the report, we confirm that

1. the information contained therein is correct and

2. that consideration of the Company in the course of the transactions listed in the report was not unreasonably high.”

Following its examination and in agreement with the auditor, the Supervisory Board has no objections to the declaration made by the Management Board at the end of the report on relationships with affiliated companies.

Words of thanks

The Supervisory Board would like to thank the members of the Management Board for their consistently constructive, committed, results-oriented and successful collaboration throughout the past financial year.

It also extends special thanks to all employees, whose dedication, expertise and hard work have made a significant contribution to the Company’s success. They exemplify what defines BarmeniaGothaer: being strong together – in thoughts, in actions and in responsibility towards our customers.

Finally, special recognition is due to our sales and business partners, particularly to the agents in our sales organization. It is thanks to their hard work and commitment that the unified “BarmeniaGothaer” brand managed to achieve an impressive level of brand awareness in 2025.

Cologne, 6 May 2026

The Supervisory Board

Professor Werner Görg, Chair	Peter-Josef Schützeichel, 1st Vice Chair	Dr. h. c. Josef Beutelmann 2nd Vice Chair
Peter Abend	Michael Behrendt	Anke Düsterloh
Antje Eichelmann	Ingolf Graul	Carl Graf von Hardenberg
Professor Johanna Hey	Professor Heike Jochum	Dr. Judith Kerschbaumer
Jürgen Wolfgang Kirchhof	Dr. Dirk Niedermeyer	Corinna Otto
Christian Rother	Heike Rottmann	Matthias Rottwinkel
Götz Schneider	Antje Voous	

Addresses of major Group companies

BarmeniaGothaer AG

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Barmenia Allgemeine Versicherungs-AG

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42119 Cologne	Internet www.barmeniagothaer.de

Barmenia Krankenversicherung AG

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Gothaer Allgemeine Versicherung AG

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Gothaer Krankenversicherung AG

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Gothaer Lebensversicherung AG

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Gothaer Pensionskasse AG

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