PSVaG
Insolvenzsicherung
der Betriebsrenten

2024
Annual Report

Who we are

We are a self-help institution within the German economy providing statutory protection for occupational pension schemes in the event of employer insolvency. As such we never lose sight of the special responsibility that we hold in the area of social security.

Through our vision of "Confidence in the security of occupational pensions", we work to realise our statutory remit as a mutual insurance association.

We are consistently by the side of our beneficiaries and members, currently securing the occupational pension provision of over 14 million people.

Our guiding principles are fairness, service, cost awareness and stability.

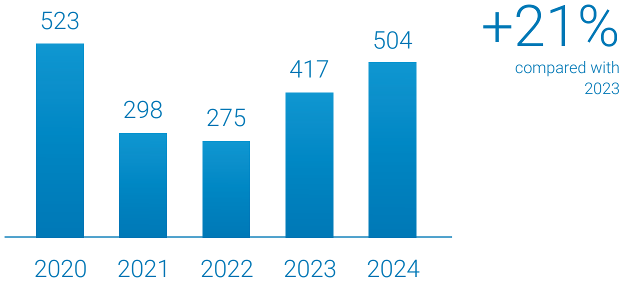
Figures for the 2024 financial year

	2024	2023
Membership	**103,050**	101,850
Contribution assessment base	**€ 392 billion**	€ 382 billion
Contribution rate	**0.4‰**	1.9‰
Total contributions	**€ 171 million**	€ 740 million
Insurable cases	**504**	417
Claim volume	**€ 703 million**	€ 631 million
Registered beneficiaries	**10,700**	9,800
Registered persons with entitlement to benefits	**37,900**	52,100
Compensation fund	**€ 3.5 billion**	€ 3.4 billion
Total assets	**€ 8.7 billion**	€ 8.8 billion
Employees	**301**	301

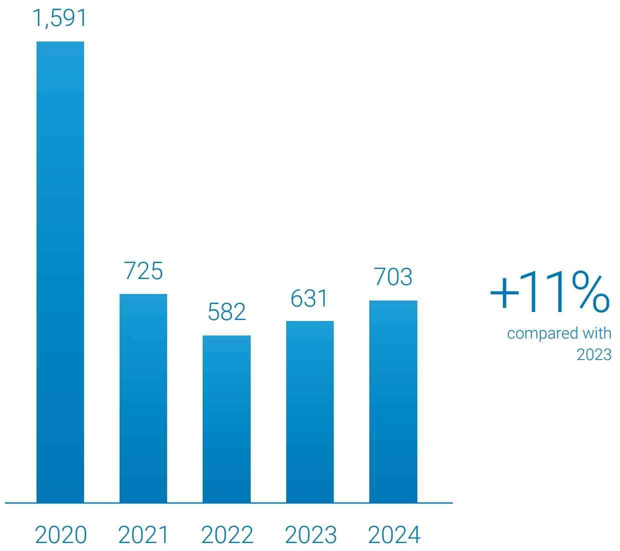
Equal rights, including the use of non-discriminatory language, are integral to and embraced within our everyday activity. It is equally important to us, however, that the language we use is easy to understand.

We therefore use gender-neutral language as far as possible.

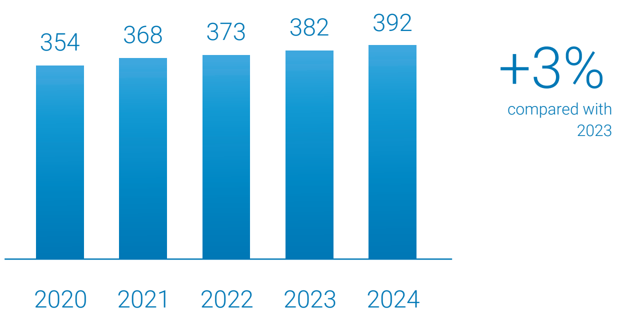
No. of insurable cases



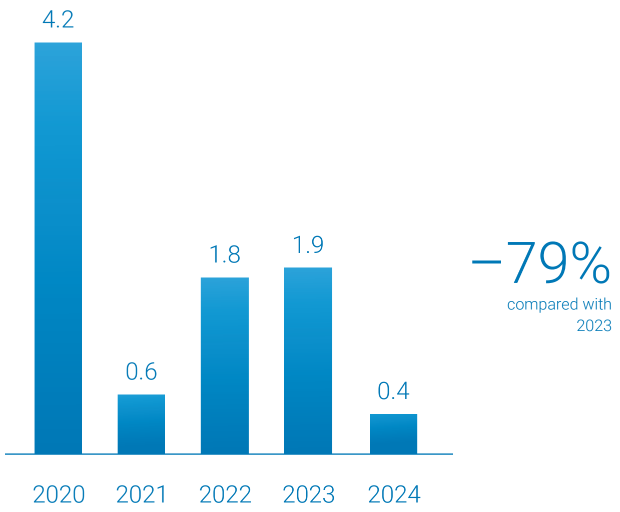
Claim volume in € millions



Contribution assessment base in € billions



Contribution rate in ‰



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Letter from the Board of Management

Ladies and gentlemen

Germany found itself in a recession for the second year in a row in 2024. Difficult structural conditions, particularly as a result of high wage and energy costs, geopolitical uncertainty and regulatory obstacles, hampered competition and contributed to a gloomy economic picture. Consequently, there was a further rise in insolvency activity in Germany, as reflected in the claims being handled by the PSVaG. For the second year in succession, there was an increase in both the number of new insurance cases and the volume of claims.

Meanwhile, Russia's war of aggression on Ukraine and the unresolved conflict in the Middle East continued to impact on society and also on many areas of the German economy. At the same time, political developments including the European Parliament elections and the uncertainty triggered by the collapse of Germany's "traffic light" governing coalition, resulting in varying degrees of inertia, also had a negative effect on the economy.

Against this background, capital market activity in 2024 was dynamic and volatile. Core inflation in particular flatlined above its European target value. Despite these negative factors, equities posted double-digit returns for 2024 and the capital markets held up well overall.

In June 2024, the PSVaG expected the contribution rate for 2024 to be lower than in the previous year (1.9 per thousand) given the moderate way in which claims had developed by then, the positive capital market environment, and the reversal of the provision for rebates from the previous year, which greatly helped to ease the situation. Ultimately, by November, the PSVaG was able to set its contribution rate at a very low 0.4 per thousand, having continued to be spared any large-scale claims.

Given that some insolvency proceedings that had been applied for were not opened in 2024, the actual claims volume in the fourth quarter was significantly lower than assumed when calculating the rate. In addition, the capital markets performed significantly better than anticipated in the last three months, in terms of both equities and bonds. Consequently, € 327 million was allocated to the provision for contribution rebates. This will have a direct impact on the 2025 contribution rate, helping to keep it low.

The number of members of the PSVaG increased from approximately 101,850 to 103,050 in 2024, mainly as a result of pension entitlements becoming vested, company splits or spin-offs, and further registrations for pension commitments via *Pensionskassen*.

At the end of 2024, the PSVaG was guaranteeing a major part of private-sector occupational pension provision in Germany, encompassing more than 14 million pension commitments.

However, despite the increase in its membership, the PSVaG has to assume that there are still some employers with *Pensionskasse* commitments subject to compulsory insolvency insurance that have not yet become members. In order to clarify this situation, the PSVaG launched an information request in 2024 in order to collect the relevant information from the *Pensionskassen*. This data will be compared against the PSVaG's membership base this year. The level of claims in relation to *Pensionskasse* commitments has remained relatively low. However, as each insolvency case generally involves examining a large number of pension schemes, processing these cases requires a huge amount of time and effort. To avoid this, the PSVaG aims to transfer back the commitments to the restructured employer following an insolvency, something it achieved in many cases in 2024.

The PSVaG was founded in October 1974 and began its activity on 1 January 1975. To mark our 50th anniversary, we held a symposium in October attended by almost 300 guests who engaged in enthusiastic discussion on current issues. In the presence of the responsible State Secretary, Dr. Rolf Schmachtenberg, delegates debated the need to link retirement age to life expectancy as one way of improving the basic parameters of (occupational) old-age pension provision. Another keenly discussed topic was the introduction of opt-out clauses to occupational pension schemes that are designed to provide funded lifelong benefits. The Company Pension Strengthening Act 2.0 (BRSG II) also figured on the agenda. Unfortunately, this law was not adopted before the collapse of German's governing coalition, which means that the improvements relevant to the PSVaG will have to be pushed forward once again in the wake of the election.

The symposium also focused on the business model of outsourcing pension obligations to pensioner companies, another issue that affects the PSVaG at least indirectly. The general consensus was that the current, unregulated options for separating pension obligations are susceptible to abuse, and that it was important to prevent the type of damage to occupational pension schemes that would inevitably arise in the event of improper use. It would make sense to create a separate supervisory regime for occupational pension schemes and to apply the relevant rules to pensioner companies.

Since it was first established, the PSVaG has guaranteed the benefits of more than 1.6 million beneficiaries affected by more than 20,000 insolvencies. In this way, the PSVaG makes a major contribution to the stability and reliability of the occupational pension system in Germany and Luxembourg.

Once again in 2024 the PSVaG was affected by a range of national and European legislative changes and growing regulatory demands. We are in constant dialogue with the Federal Ministry of Labour and Social Affairs in order to avoid over-regulation, such as the application of the Corporate Sustainability Reporting Directive (CSRD) to the PSVaG. More generally, the PSVaG strives to achieve an efficient and low-effort implementation of unavoidable regulatory requirements, such as the Digital Operational Resilience Act (DORA). It is striking that the requirements of DORA clash with the very high regulatory demands in the area of data protection, just as the requirements for efficient administration come up against the mandatory regulations on the use of artificial intelligence. The burdens imposed by regulations relevant to the PSVaG are currently very onerous.

We continue to hope that the new administration in Europe lives up to its promise to promote economic efficiency in Europe again and to bring long-lasting improvements to the structural conditions for the European economy.

Our employees are hugely motivated and committed to fulfilling the role of the PSVaG, and we would like to express our sincere thanks to them for their successful and dedicated efforts.

Cologne, 4 February 2025

Dr. Marko Brambach **Dr. Benedikt Köster**

Supervisory Board

Ingo Kramer
Chairman
Shareholder, J. Heinr. Kramer Group, Bremerhaven,
Honorary President, Confederation of German Employer Organisations (BDA), Berlin
Member since 18 February 2021

Jörg Asmussen
Deputy Chairman
CEO and executive member of the Executive Board of the German Insurance Association (GDV), Berlin
Member since 29 June 2021

Dr. Rudolf Muhr
Deputy Chairman
Chairman of the Advisory Board, Muhr und Bender KG, Attendorn
Member since 7 July 2006

Susanna Adelhardt
Speaker of the Board, Heubeck AG, Cologne
Member since 19 June 2023

Claudia Andersch
Chair of the Board, R+V Krankenversicherung AG,
R+V Lebensversicherung AG,
R+V Lebensversicherung a.G.,
R+V Pensionsversicherung a.G., Wiesbaden
Member since 6 August 2019

Klaus Bräunig
Lawyer, Berlin
Member since 27 June 2001

Dr. Gerhard F. Braun
Business graduate, Deidesheim
Member since 7 July 2006

Dr. Heinke Conrads
Member of the Management Board of Allianz Lebensversicherungs-AG, Stuttgart
Member since 8 June 2022

Brigitte Faust
Business graduate, Munich
Member since 3 July 2013

Claus-Christian Gleimann
Senior Vice President Group HR/Executive HR, E.ON SE, Essen
Chairman of the Board of the Confederation of German Employer Organisations for the Energy and Utilities Sector (VAEU), Hanover
Member since 19 June 2023

Dr. Reinhard Göhner
Lawyer, Kirchlengern
Member since 1 July 2014

Alexander Gunkel
Member, Executive Board of the Confederation of German Employer Organisations (BDA), Berlin
Member since 7 July 2006

Composition of the Supervisory Board and attendance of meetings

The Supervisory Board as a whole possesses the knowledge, skills and professional experience necessary to fulfil its remit. Its members have a range of different professional focuses, with experience from different areas of industry and wide-ranging expertise in the fields of business and politics. The average age of the Supervisory Board members as at the end of the 2024 financial year is 63, with the youngest member being 52 and the oldest 71 years old.

In 2024, the Supervisory Board once again engaged in the self-evaluation its members, considering their knowledge in the areas of expertise needed to be able to advise the Board of Management and monitor the management of the PSVaG. The review took the form of a self-evaluation, as required by supervisory law. The results are used on a regular basis to derive a development plan for the individual subject areas relevant to the PSVaG and its work. Training measures are agreed and implemented on the basis of the plan. Overall, the members of the Supervisory Board have an appropriate level of qualifications, knowledge and experience, taking into account the specifics of the company, to expertly guide and monitor the PSVaG's development.

The Supervisory Board formed a Personnel Committee, an Investment Committee and a Legal and Audit Committee from among its members. To the extent permitted by law, decision-making powers of the Supervisory Board may also be delegated to these committees. The committees perform the functions assigned to them by the rules of procedure and special resolutions of the Supervisory Board in the name and on behalf of the Supervisory Board. Each committee includes at least three members of the Supervisory Board.

Personnel Committee	Legal and Audit Committee	Investment Committee
Ingo Kramer (Chair)	Alexander Gunkel (Chair)	Susanna Adelhardt (Chair)
Claudia Andersch	Jörg Asmussen	Dr. Heinke Conrads
Dr. Rudolf Muhr	Klaus Bräunig	Dr. Rudolf Muhr

The meetings of the Supervisory Board and its committees were held mainly in person, and as hybrid and virtual meetings on a few occasions. This approach made it possible for Supervisory Board members to record a 97% and 100% attendance rate at Supervisory Board meetings and committee meetings respectively in 2024.

Management Report

Basic principles of the PSVaG

Object of the insurance

The Pensions-Sicherungs-Verein Versicherungsverein auf Gegenseitigkeit (PSVaG) is the statutory agency providing insolvency protection for occupational pension schemes. Its purpose is to secure occupational pensions in the event of an employer becoming insolvent in the Federal Republic of Germany or the Grand Duchy of Luxembourg. This role is based on the Fourth Section of the Act for the Improvement of Occupational Old-age Pensions (BetrAVG).

The insolvency insurance covers those schemes where the fulfilment of acquired claims to an occupational pension is jeopardised by the employer becoming insolvent. Such schemes comprise:

1. Direct pension commitments
   (also referred to as direct commitments)
2. Indirect pension commitments through

a) direct pension insurance plans – only in the case of revocable rights or irrevocable entitlements if these have been assigned, presented as security or pledged,

b) pension relief funds,

c) pension funds,

d) *Pensionskassen*.

On the basis of a General Agreement (Section 8, para. 1 of BetrAVG in conjunction with Section 2, para. 2 of its Articles of Association), the PSVaG insures old-age pension obligations assumed as a result of an employer becoming insolvent with a consortium currently numbering 45 life insurance undertakings. The executive insurer of the Consortium for the PSVaG is Allianz Lebensversicherungs-AG, Stuttgart.

Source of funds, financing procedure

The funds used to cover insolvency insurance claims are raised pursuant to Section 10 of BetrAVG in the form of statutory contributions from those employers who provide occupational old-age pensions through the schemes subject to compulsory insolvency insurance referred to above.

The contributions must be sufficient to cover the present value of claims to insolvency insurance benefits that arise during the current calendar year (base accounting interest rate pursuant to Section 235, para. 1 no. 4 of the Insurance Supervision Act - VAG),

- the difference between the present value of the entitlements to benefits forming the subject of claims due to insolvency cases at the end of the calendar year and the equivalent present value at the end of the previous year,
- administrative and other costs,
- payments made into a compensation fund designated by the German Federal Financial Supervisory Authority (BaFin), and
- payments into a loss reserve account pursuant to Section 193 of VAG.

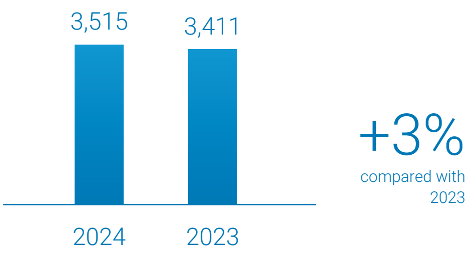
The required levels of contributions are calculated during the last quarter of the year and apportioned to all of the employers who are subject to compulsory contributions. A characteristic feature of this process is the fact that the contribution rates reflect differences in claim expenses from one year to the next.

Dealing with contribution peaks

Contribution peaks may be alleviated by making use of the compensation fund and/or by applying a smoothing method. In the event of a high volume of claims, the compensation fund may be used with the consent of BaFin to reduce the contribution rate. The smoothing process may be used to distribute the annual contributions required over the current and up to four subsequent calendar years. This option has only been used once to date, in 2009. The compensation fund has been used four times.

With regard to the compensation fund, as required by the PSVaG's Articles of Association, BaFin has stipulated that allocations must be made to the fund at least until a target of 9‰ of the contribution assessment base has been reached pursuant to Section 10, para. 2 of BetrAVG. This allocation is carried out anti-cyclically in that the higher the claim expenses, the lower the allocation. As at the 2024 year-end, the target level for the compensation fund was € 3,515 million, which was reached by allocating an amount of € 104 million.

Size of compensation fund in € millions



Supervision by BaFin

In its capacity as a mutual insurance association, the PSVaG is subject to supervision by the German Federal Financial Supervisory Authority (BaFin). Unless the BetrAVG stipulates otherwise, the provisions for small insurance undertakings pursuant to Sections 212 to 216 of the Insurance Supervision Act and the ordinances issued on the basis of Section 217 of the Insurance Supervision Act apply accordingly.

The 2024 financial year

Overview of the financial year

The number of company insolvencies in Germany in 2024 grew by 25%, the third annual increase in a row. The number of insurable cases among PSVaG members was up 21%.

Over the course of the 2024 financial year, claims were lower than we had expected at the start of the year. We recorded higher income as defined in Section 9 of BetrAVG than expected, and the dividends collected from the Consortium were at the level anticipated. Based on an increase in interest income, the investment result developed as expected. Administrative costs were slightly better than forecast.

In June 2024, the PSVaG expected the contribution rate for 2024 to be below the previous year's level (1.9 per thousand) given the moderate way in which claims had developed by then, the positive capital market environment and the effect of the provision for rebates from the previous year, which greatly helped to ease the situation. Ultimately, by November, the PSVaG was able to set its contribution rate at 0.4 per thousand, having continued to be spared any large-scale claims.

We successfully transferred occupational pension schemes back to employers that continued operations after insolvency, making a full transfer in 42 cases and a partial transfer in nine further cases. Overall, this reduced the PSVaG's total liability by € 213 million in gross terms.

Required contribution level

The required contribution level totalling € 171 million for 2024 consists of two items. The higher portion of € 157 million is based on the required contribution rate of 0.4‰ and the reported contribution assessment base of € 392 billion. The second portion of € 14 million is based on the additional statutory rate of 1.5‰ for pension commitments via Pensionskassen, which is used for the pro rata financing of the compensation fund and will continue to be applied up to and including 2025. The contribution rate of 0.4‰ is well below the previous year's rate of 1.9‰. The 10-year average is 1.9‰ and the average for all of the PSVaG's 50 financial years to date is 2.6‰.

Annual Financial Statements

The Annual Financial Statements for the 2024 financial year have been prepared in accordance with the German Ordinance on Insurance Accounting (RechVersV).

The income statement shows a negative technical result, offset by a positive result from the non-technical items.

The financial performance indicators include the highest income items such as the reversal of the provision for rebates, members' contributions, the dividends from the Consortium, income pursuant to Section 9 of BetrAVG and investment income. The highest expense item was insolvency case costs.

The individual items are explained in further detail in the “Our services” and “Capital investments” sections.

The calculation of contributions carried out in October 2024 reflected anticipated developments for the full 2024 year based on the development up until that point. As is the case every year, it was necessary to include estimates and extrapolations for the final months to the year-end.

The 2024 financial statements show a considerably better overall financial situation than assumed at the time of the contribution rate being calculated. Consequently, € 327 million (2023: € 631 million) was allocated to the provision for contribution rebates. This amount will reduce contributions for 2025. Overall, due to the system, the annual financial statements show a balanced result.

The allocation of € 104 million to the compensation fund resulted in the target of 9‰ of the contribution assessment base being achieved.

Members’ meeting

At the members’ meeting held on 18 June 2024 in Cologne and chaired by the Chairman of the Supervisory Board, the actions of the Board of Management and Supervisory Board were ratified and the auditor appointed.

Our services

Insolvencies

The general level of insolvencies in Germany increased again in 2024 as a result of weaker economic performance and the fact that the economy was in recession for the second year in a row. Low levels of exports and high costs pushed the number of company insolvencies up by 25% to 22,400. The number of employees affected by insolvencies also grew, up by around 56% to 320,000 individuals. Creditreform estimates the value of creditors' claims in 2024 to be € 56 billion, compared with € 31 billion in 2023.

In line with the general economic trend, the number of insolvency proceedings that were relevant to the PSVaG also increased, rising by 21% in 2024. As in the previous year, twelve major claims were recorded. Claim expenses for new insolvencies only rose by 14% as a result. In contrast, the number of pension beneficiaries whose benefits had to be insured fell by 21% due to far fewer people being affected by each individual insolvency compared with the previous year.

Overview of insolvencies

Year of insolvency	2024	2023
Total insurable cases[1]	**504**	417
of which out-of-court settlements	**0**	0
Beneficiaries (entitled) and pensioners[2]	**48,600**	61,900

[1] Including cases where insolvency is rejected due to a lack of assets and cases of complete termination of operations where bankruptcy proceedings are not considered due to an obvious lack of assets

[2] Including retransfers in the context of an insolvency plan and rejected cases

Insured entitlements and insured pensioners

The PSVaG insures benefits (entitlements) that are not yet due, makes capital payments and pays settlements to persons entitled to benefits, and insures pensions that have fallen due, thereby discharging the debt, with a consortium of currently 45 life insurers.

The number of insured beneficiaries (entitled) rose by 3% while the number of pensioners fell by 5%.

Beneficiaries

	Beneficiaries (entitled)	Pensioners
As at 31 Dec. 2023	234,500	452,300
New additions due to insolvencies in 2024	37,900	10,700
Other additions	8,900	11,700
Exits	40,800	46,500
As at 31 Dec. 2024	240,500	428,200
of which insured with the Consortium		417,800

"Other additions" of pensioners include 6,600 former beneficiaries who were insured with the Consortium in 2024.

"Exits" of beneficiaries (entitled) include 11,200 beneficiaries who received benefits in 2024, as well as 19,900 retransfers to the employer. Decreases in the number of pensioners are generally due to a pension no longer being drawn following the death of the beneficiary.

Number of processed and outstanding cases

During the financial year the PSVaG conclusively audited the basis for and amount of any benefit obligation for 34,400 beneficiaries (entitled) and pensioners, while also increasing the current pension already being paid due to an insolvency-protected adjustment clause or providing follow-up insurance for other reasons in a total of 16,200 cases. In 2024 there were 32,500 beneficiaries who received benefits directly from the PSVaG or who had new insurance cover taken out with the Consortium or their cover increased.

In order to minimise interruptions in benefit payments upon insolvency, highest priority is given to the timely processing of pension claims once the insolvency is reported. This means that the PSVaG frequently begins its work to process the claim before the insolvency proceedings have officially begun.

The following table provides details of the number of outstanding cases and how these have progressed:

Outstanding cases

	Beneficiaries (entitled)	Pensioners[1]
As at 31 Dec. 2023	50,000	5,000
Additions	39,900	22,400
Exits due to processing	16,000	18,200
Exits due to other form of settlement	21,200	1,900
As at 31 Dec. 2024	52,700	7,200

[1] Pensioners on occurrence of claim and conversions; excluding dynamic increases.

"Exits due to other form of settlement" include 19,900 beneficiaries (entitled) and 1,900 pensioners whose entitlement could be transferred back to the employer.

Benefits paid

In 2024, the PSVaG paid out direct benefits to beneficiaries totalling € 74 million (2023: € 71 million). The Consortium paid out an additional € 847 million (2023: € 862 million).

Claim volume

The claim volume was higher than in the previous year due to the increase in insolvency activity, totalling € 703 million (2023: € 631 million).

The PSVaG's involvement in insolvency proceedings

The PSVaG is regularly one of the largest creditors in insolvency proceedings due to the statutory subrogation of claims from the occupational pension provision that it insures. In economically significant cases, it is therefore involved in the work of the creditor representation body established by law (General Creditor Assembly and, where applicable, the Creditor Committee). The resulting close cooperation with insolvency executors and trustees is also conducive to the fulfilment of the tasks for which the PSVaG is responsible. Overall, the claims volume fell by € 162 million in 2024 as a result of income pursuant to Section 9 of BetrAVG. This includes € 120 million of payments from insolvency cases and/or transferred reinsurance policies. The value of insurance cover assumed by former employers/pension providers grew on a year-on-year basis.

In 2024 the PSVaG was able to agree a transfer back to the employer through 51 insolvency plans affecting 21,800 beneficiaries with total benefits/liability of € 213 million.

Dividends from the Consortium

With regard to insurance agreements concluded in the past, the Consortium transferred dividends of € 220 million including interest to the PSVaG in 2024 for the 2023 financial year. This was posted to income in 2024.

Pension expenses for future claims

In order to reduce future contributions, € 327 million (2023: € 631 million) was allocated to the provision for rebates. € 104 million (2023: € 94 million) was allocated to the compensation fund.

Administrative costs

The administrative costs totalling € 39 million (2023: € 39 million) primarily include the costs relating to the processing of benefits, expenses in connection with membership administration and costs of overall operations.

PSVaG's provisions

To cover its obligation arising up until 31 December 2024, the PSVaG allocated a total of € 4.5 billion (2023: € 4.5 billion) to the provision for outstanding insurance claims. In accordance with Section 26 (2) of the German Ordinance on Insurance Accounting (RechVersV), € 78 million (2023: € 35 million) was deducted, primarily for insurance cover taken out by former employers/pension providers and transferred to the PSVaG.

This provision contains the present value of the projected benefit obligation pursuant to Section 10, para. 2 of BetrAVG, which is € 4.0 billion.

This present value was calculated using the 2018 G Heubeck guide tables and the statutory base accounting interest rates. Based on our own observations, the mortality probabilities used in the guide tables were permanently reduced by 18%. The applied interest rate depends on the year of insolvency. The portion of the deduction pursuant to Section 26 (2) of RechVersV that relates to the present value of the projected benefit obligation is € 55 million (2023: € 22 million).

Present value of the insured entitlements in € millions by year of insolvency

Year of insolvency	Interest rate	Present value
up to 2006	3.67%	382
2007 – 2011	3.00%	751
2012 – 2014	2.33%	457
2015 – 2016	1.67%	224
2017 – 2021	1.20%	1,304
2022 – 2024	0.33%	857
Total		**3,975**

The average interest rate for the insured entitlements, weighted according to present value, is

1.75%. A total of € 4.0 billion (2023: € 4.2 billion) has been allocated to the provision for rebates, compensation fund and loss reserve.

The Consortium’s provisions

According to the executive insurer in the Consortium, the Consortium expected to made provisions as at December 2024 of €11.9 billion (2023: € 12.1 billion) for the insurance policies concluded by the PSVaG. We expect the insurers to continue to generate dividends on these provisions over the coming years, which will be paid out to the PSVaG and help to reduce the future level of membership contributions.

Our membership

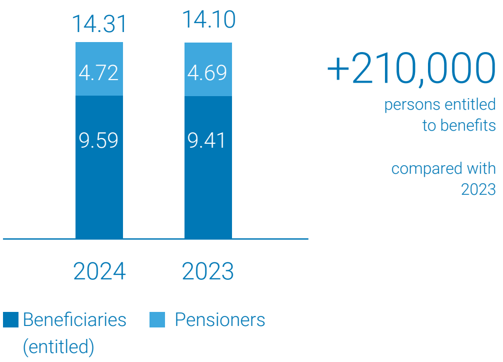
Number of members

The PSVaG had 103,050 members as at 31 December 2024. This equates to an increase of around 1,200 members in 2024. The rise is the net result of approximately 4,600 new memberships and the termination of around 3,400 memberships. New memberships arose as a result of the new reporting obligation for pension commitments via Pensionskassen, but also as a result of pension entitlements becoming vested, and company splits or spin-offs. Memberships ended on account of mergers and insolvencies, and in cases in which all of the benefit obligations had been fulfilled or had expired.

Number of persons entitled to benefits covered by insolvency insurance

There were 14.3 million persons with entitlement to benefits reported by our members in 2024, an increase of 0.21 million compared with the previous year. Employees and former employees who have received several pension commitments through various schemes or from several employers were possibly counted more than once.

Persons entitled to benefits and covered by insolvency insurance in millions



Contribution assessment base

The breakdown of the total contribution assessment base by type of scheme over a ten-year period, i.e. for the years 2014 (totalling € 320 billion) and 2024 (totalling € 392 billion), shows a slight fall in direct pension commitments and relief fund commitments. Pensionskasse commitments have only been subject to insolvency insurance since 2021.

Shares of the individual pension schemes in %

	2024	2014
Direct pension commitments	**85.8**	87.2
Relief fund commitments	**10.4**	11.6
Pensionskasse commitments	**2.3**	–
Pension fund commitments	**1.5**	1.1
Revocable direct policies or direct policies presented as security	**< 0.1**	0.1

Stratification of contribution assessment bases

The membership of the PSVaG remains very heterogeneous. More than half of the member companies report a contribution assessment base of less than € 0.1 million. Overall, this layer of the membership pays 0.4% of total contributions. In contrast, the 5.5% of our members with the highest reported contribution assessment bases pay more than 90% of all membership contributions.

Breakdown of membership by size category

Contribution assessment base in € millions	Percentage of members	Percentage of total contribution assessment base
up to 0.1	62.8	0.4
0.1 – 0.5	18.1	1.1
0.5 – 1.0	5.5	1.0
1.0 – 5.0	8.1	4.5
more than 5.0	5.5	93.0

Capital investments

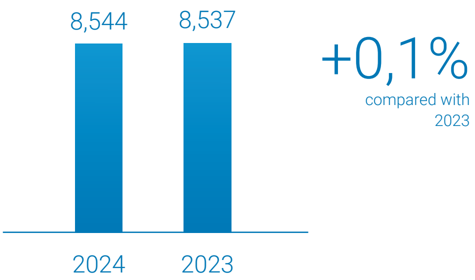
Capital market activity was again very dynamic in 2024 with a gratifying performance recorded on the markets as a whole. The equity markets ended the year with double-digit returns (S&P +25%, EuroStoxx +11%). There was a major setback in the month of August with an unexpected interest rate hike in Japan. Together with falling rates in the United States, this led to a huge unwinding of the corresponding carry trades. Key interest rate cuts in Europe and the US were triggered by falling yet still stubbornly high rates of inflation, above the central bank targets. While the European yield curve dipped markedly and largely regained its normal structure (reversal of the inversion), interest rates in the US have recently moved upwards again, well beyond their 2023 year-end levels, while the curve has flattened. Euro government bonds were returning 1.8% in 2024, with euro corporate bonds reaching 4.6%.

In this dynamic context, the value of the PSVaG's investments was able to grow by 5.1% (including account balances). Reserves were built up again in the fund investments and the hidden losses in the direct portfolio were reduced once more. The interest rate sensitivity (modified duration) of the interest-bearing components of the portfolio nudged upwards, from 3.7% to 3.9%.

The book value of capital investments rose marginally to reach € 8,544.4 million (2023: € 8,537.3 million) during the year under review. This increase includes net write-ups of € 37.8 million. New investments totalling € 230 million were allocated to special funds, while the direct portfolio (including time deposits) recorded a net outflow of € 21 million. The investments in money market funds totalling € 290 million at the start of the year were sold off in full.

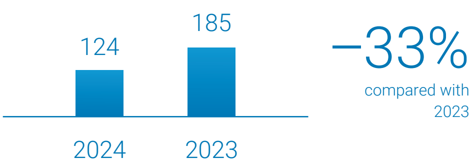
All investments measured at amortised cost were valued according to the strict principle of the lower of cost or market. Registered bonds, promissory notes and bank deposits were reported at their nominal value in the balance sheet. The alleviated principle of valuation at the lower of cost or market, which may be used as a discretionary practice, was not applied.

Book value of capital investments in € millions



The net income from investment totalled € 124.0 million (2023: € 184.7 million). This includes net value adjustments on bearer bonds in the direct portfolio in the amount of € 37.8 million (2023: € 112.7 million). No dividends were distributed from the funds during the reporting year. Income from the direct portfolio grew substantially, reaching € 80.2 million (2023: € 64.2 million). The net return was 1.5% (2023: 2.3%).

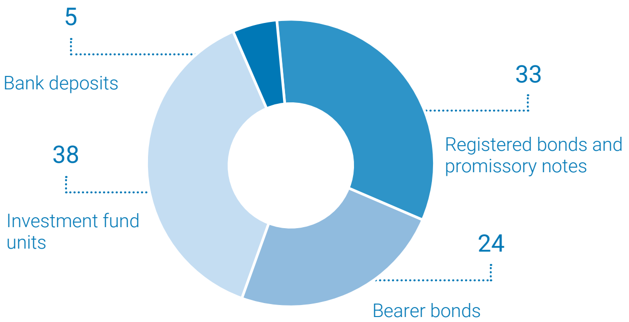
Income from capital investments in € millions



Capital investment structure

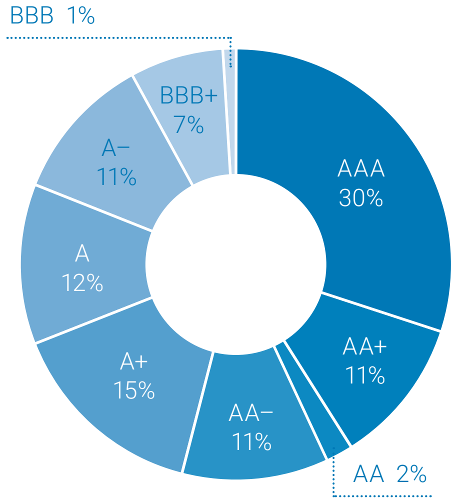
The PSVaG continues to pursue a conservative capital investment policy.

Structure of capital investments in %



Particularly with regard to the direct portfolio, and therefore in the case of bearer and registered bonds and promissory notes and loans, issuers or issues with a high credit rating were always prioritised during investment decision-making. Given the high quality of the securities in the direct portfolio (average rating AA-), we do not expect any defaults in the future either.

Percentage breakdown of ratings in the direct portfolio



Investments in investment certificates relate to German special funds (special alternative investment funds with fixed investment conditions and a Luxembourg special fund for alternative investments. Overall, € 1,506.2 million was invested in bonds and in demand and time deposits during the reporting year. New investments continued to be focused on securities with shorter maturities (60%) with significant investment also being made in long-term securities as cover for the corresponding obligations. In recognition of the importance of quality, new investments were made in government or government-related issuers (39%) and Pfandbriefe (11%). The average rating across all new investments was AA-.

Securities and demand and time deposits worth € 1,476.9 million were redeemed by the issuers.

No selling took place in the direct portfolio during the reporting year. New investments in special funds totalled € 230.0 million, primarily in fixed-income investments.

Investment strategy

Strategic asset allocation (SAA) forms the basis of investment management, and is regularly reviewed and updated. As well as focusing on the return target derived from the liabilities, reviews focus on a conservative risk/return ratio. Capital investments are allocated on the basis of the time horizon for the corresponding obligations. Most investments are made in the direct portfolio, with an investment horizon of up to 15 years. The vast majority of the fund investments have a medium to long-term investment horizon, serving to diversify the capital investment portfolio and also to increase the return potential.

With regard to the fixed-income securities in the direct portfolio, the specific maturities are mainly derived from the asset/liability management (ALM) calculations, which are based on the expected conversion dates for the entitlements (cash flow matching). The securities in question are generally held until maturity (buy and hold strategy). This minimises the number of premature sales, avoiding transaction costs. A limit system is in place to keep potential default risks in check and maintain the credit quality of the portfolio. In addition to credit rating, regional and particularly sector-based diversification are key factors.

Sustainability

In order to reconcile the challenge of the sustainable transformation process of the real economy with the interests of the PSVaG members in the best possible way, we pay special attention to sustainability aspects in relation to investment.

Ever since 2019, ESG (environmental, social and governance) factors have been increasingly integrated into our investment decision-making and risk management during the selection of issuers and issues for the direct portfolio. In 2022, we developed our own ESG benchmark to manage ESG quality in the direct portfolio. ESG scores are used to identify issues that we believe represent an elevated sustainability risk. The main objective is to identify and avoid sustainability-related risks (e.g. stranded assets) at an early stage. Fund investments have also been evaluated using the existing ESG scheme since the start of 2023. The regular analysis of the physical and transitory risks of climate change once again revealed only minor medium and long-term effects for the direct portfolio and rather moderate effects for the fund investments.

With regard to indirect investments, the PSVaG continues to ensure that sustainability criteria are sensibly integrated into each of our actively pursued investment strategies. All asset managers commissioned by us have signed the UN Principles for Responsible Investment (UNPRI) and report the corresponding ESG and greenhouse gas information for their mandates.

Employees

The number of PSVaG employees was unchanged in 2024, albeit with a decline in the number of full-time staff.

Number of employees

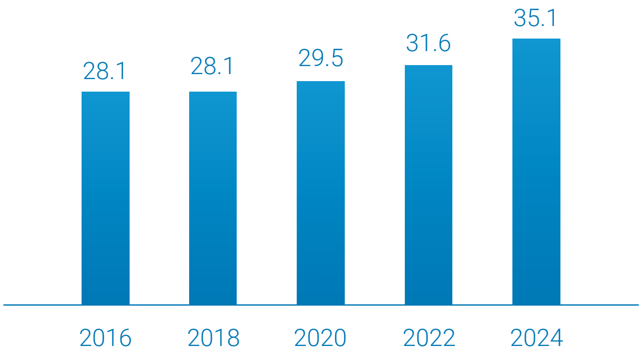
	2024	2023
Full-time	**185**	192
Part-time	**100**	89
Suspended employment[1]	**16**	20
Total	**301**	301
Effective no. of employees	**251.9**	250.0
Average no. of employees	**302.0**	300.2

The proportion of part-time employees has grown consistently over recent years. At 35.1% in 2024, it exceeded one third of the workforce for the first time. The challenge of combining a career with family life continues to be an important subject for the employees.

Childcare and supporting parents and close family members in need of care remain the main reasons for employees seeking part-time hours. These issues are also increasingly impacting men's working patterns. In addition to parental leave, fathers are making more frequent use of part-time options to spend time looking after their children and for family-related reasons.

Achieving a good work/life balance is also becoming ever more important. Changing leisure needs and a desire to pursue personal ambitions outside of the workplace are further factors motivating employees to seek part-time options. This trend is also reflected in the takeup of the option available to employees to convert some of their collectively agreed special payment into five days of additional leave. A quarter of staff made use of this option in 2024.

Development of part-time rate in %



Flexible working time arrangements and the options for mobile working, as well as other modern-day and sustainable fringe benefits (occupational pension, subsidised bicycles, season tickets etc.) are an integral part of the PSVaG workplace, helping to boost employee satisfaction and motivation, not to mention the attractiveness of the PSVaG on the labour market. This is confirmed by good employer ratings on the relevant social media platforms.

Selected personnel key figures

	2024	2023
Part-time rate	**35.1%**	31.7%
Average age	**44.5 years**	43.9 years
Length of service	**12.0 years**	11.7 years
Proportion of women	**57.9%**	55.5%
Proportion of women in executive positions	**45.5%**	44.1%
Graduate rate	**64.9%**	64.1%
Staff turnover rate	**5.2%**	4.9%

[1] Employees in the passive phase of semi-retirement, on parental leave or long-term sick leave.

The proportion of women managers at the PSVaG has regularly increased over recent years and is currently 46%. This highlights the extent to which the PSVaG has long been pursuing an HR and career advancement policy based on equal opportunities regardless of gender.

The complex nature of the PSVaG's work means that our employees must be highly qualified and have specialist knowledge. As a result, the majority of our employees have a university degree, with a graduate rate of 64.9%. The staff's specialist knowledge must also be constantly updated and expanded. Training courses offered by commercial CPD providers can only be used for this purpose to a limited extent. Generally, the in some cases very specialist knowledge required by PSVaG staff is acquired through extensive induction programmes and in-house training.

Other important topics such as digitalisation, demographics, lifelong learning and agile working are making new demands of management styles and working relationships. In this context, we support our managers and staff with a diverse range of offerings. In addition to more traditional training courses, numerous personnel development measures and team days were also offered in 2024, dedicated to such concepts as personal responsibility, feedback and change management.

Risk report

Aims of risk management

The PSVaG follows an integrated approach to risk management. This is founded on the legal provisions of Sections 23 and 26 of the Insurance Supervision Act (VAG) and on supervisory rules, particularly Circular R 01/2020 of the Federal Financial Supervisory Authority (BaFin) setting out the minimum requirements for the commercial organisation of small insurance undertakings as defined in Section 211 of VAG. Pursuant to Section 91, para. 2 of the Joint Stock Companies Act (AktG), the Board of Management is also obliged to "implement appropriate measures, particularly a monitoring system, to ensure than any developments that could endanger the company's continued existence are detected at an early stage". By presenting this report, the PSVaG is meeting its obligation to report on the essential risks associated with its anticipated development (Section 289, para. 1 of the German Commercial Code, HGB).

In line with the PSVaG's Articles of Association, its sole purpose is the provision of insolvency insurance for occupational pensions in the Federal Republic of Germany and in the Grand Duchy of Luxembourg. Due to the obligation of the employers concerned to pay contributions (Section 10 of BetrAVG), there is no general risk of the PSVaG becoming insolvent, and its risk-bearing capacity is therefore unlimited in the first instance, albeit with a de facto limit in the form of the financial strength of the member companies. A combination of uncertain claim amounts, limits on the ability to foresee how investments would perform in the event of a crisis, and uncertainty around the future creditworthiness of its member companies make it impossible for the PSVaG to determine the absolute amount of its risk and the limits of its risk-bearing capacity.

Additionally, due to the statutory obligation to contract, the PSVaG is only able to tackle underwriting risks to a very limited extent. Transferring the risk to third parties, based on reasonable costs, would also only have an insignificant impact in terms of risk reduction. Moreover, the capacity of the PSVaG member companies exceeds the capacity of potential providers for risk transfer many times over, making it seem unlikely that a third party would be able to step in should one of the member companies default.

Against this background, the legislator has imposed solvency requirements on the PSVaG. As a general rule, the requirements for small insurance undertakings (Solvency I) apply accordingly, with the enhanced recognition of own funds. The German Federal Financial Supervisory Authority (BaFin) may also stipulate that further funds may be counted as equity capital and it may extend the deadlines for restoring solvency.

For this reason, the PSVaG's risk management system is not geared towards protecting against its own insolvency but is instead focused around the achievement of its corporate objectives. To this end, early warning levels and risk thresholds have been defined, taking into account the impact on the required contribution. If these are exceeded, extended risk monitoring is carried out or measures designed to address the risk situation are introduced to stabilise the PSVaG.

Risk management supports the sustainable development of the PSVaG. Assuming risks in a controlled way forms part of an insurance undertaking's core business. In the capacity of a mutual insurance association, the PSVaG may also pursue long-term strategies, not least with regard to investments.

Risk management system

The PSVaG has provided detailed descriptions of its commercial and risk strategy, its structures and workflows, and its risk management system in the form of a risk manual. It is the heads of department who are responsible for identifying and assessing risk, with each individual risk that is identified being documented in a separate risk description. The risk manual, as the central pillar of risk management, is updated at least once per year, along with a review of the individual risk definitions more generally. The heads of department are also responsible for proposing ways of minimising risk and for implementing appropriate risk control measures. Those risks that have been identified and evaluated in advance by the risk managers are discussed and assessed by the Board of Management and heads of department at regular meetings.

It is therefore the Board of Management that holds responsibility for overall risk management and that ultimately must define the PSVaG's commercial and risk strategy. An overall evaluation of the risk situation, on which the Supervisory Board is briefed, is carried out quarterly. In the event of a defined change to the risk situation, an ad-hoc update is required.

The responsible departments control and monitor operational risks (e.g. in IT, processes, transactions, legal changes) and these risks are recorded in the internal control system (ICS).

The PSVaG has a compliance coordinator who guarantees compliance with the statutory and regulatory requirements.

The PSVaG monitors developments in legislation on an ongoing basis in order to tackle any risks associated with changes to the law. It is entered in the lobbying register for the German Bundestag and Federal Government.

In order to achieve its security goals in terms of information risk management, the PSVaG also maintains an information security management system and has its own information security officer.

A modern and effective investment risk management system allows for the early detection and management of risk associated with future development. According to its assessment, the PSVaG complies with both the regulatory requirements and its own more restrictive internal rules on risk management.

The Board of Management and Supervisory Board are briefed monthly/quarterly on the current risk situation by the Risk Controlling department. The Board member with responsibility for finance is briefed on a weekly basis. In the event of any new risks or a significant change in the risk situation, the Board of Management is updated on an ad hoc basis.

Risks of future development

Actuarial practice

The volume of claims essentially depends on the number of insured cases (insolvencies) in the financial year. Claim expenses depend both on the number of insolvencies and on the cost per insured insolvency. A high volume of claims could mean unexpectedly high contributions. The inherent actuarial risk from insolvency events is the biggest risk facing the PSVaG.

How the PSVaG's claim volume develops is heavily dependent on the general state of the wider economy and is therefore not unrelated to investment performance. This development is also strongly influenced by the legal situation (obligation to file for insolvency) and the economic policy being pursued by the Federal Government or state governments.

The PSVaG is also exposed to longevity risks from benefit entitlements and the risk that beneficiaries (entitled) apply to draw their benefits earlier than expected. With the review of the pension schemes sometimes not being completed until several years after the occurrence of the insured event, there is also a reserve risk, i.e. the risk that the provision for outstanding insurance claims will be insufficient. The volume of claims is also dependent on the pension trend, in other words assumptions about pension adjustments.

Another potential risk is that income pursuant to Section 9 of BetrAVG could be lower than expected. The contribution assessment base of all member companies is used to calculate the membership contribution. There is a risk that the total contribution assessment base could develop differently from expected.

As well as impacting on the contribution rate, the actuarial risks facing the PSVaG can also affect its liquidity and ability to operate (e.g. number of cases to be processed). These risks are limited using liquidity management tools and by prioritising the processing of benefits. Liquidity management focuses in particular on checking whether there are sufficient investments that could be realised within one month if needed.

Capital investments

Capital investments are subject in particular to market and credit/default risk.
Market risk refers to the risk of an unfavourable development in interest rates, prices or exchange rates. As a result of the high level of investment in fixed-income papers, the investment portfolio is subject to the risk of changing interest rates. During the year under review, both the interest rate sensitivity (modified duration) and the market value of investments rose slightly, with the result that interest rate risk also moved slightly upwards. The market risk associated with capital investments is the second biggest risk facing the PSVaG.

Credit or default risk refers to the risk of individual issuers defaulting.

The composition of the assets and the investment process comply with the investment rules defined in the VAG and, additionally, are governed by more comprehensive internal investment guidelines for the direct portfolio and special funds, as well as by an in-house limit system.

The selection of individual stocks for the direct portfolio is always based in the first instance on good issuer quality, all of which have at least an investment grade rating. Issuers are reviewed on an ongoing basis. Measures are in place to ensure that the investment guidelines for the special funds are adhered to at all times. The average rating for the portfolio as a whole is unchanged at A+.

The PSVaG limits concentration risks (risk of strongly correlating risks) by mixing and diversifying investments and using a limit system at country, region and sector level, coupled with a system of limits and thresholds applicable to individual issuers. There are no issuers in the direct portfolio for which the exposure exceeds 5% of the total amount of investments in the direct portfolio. The investment risks are also kept to a minimum by setting and monitoring a risk budget for write-downs on the total portfolio or on special funds: if value adjustments exceed the stipulated risk budget, measures are introduced to reduce risk based on the overall risk situation.

Sustainability risks fall within capital market risks. In our view, sustainable investments are less likely to default and are easier to sell should a stress event occur. This is another reason why sustainability aspects are incorporated into investment decision-making.

Operational risks

The PSVaG is exposed to many operational risks typically associated with insurance undertakings, including in relation to IT, processes, employee placement and the use of service providers. There are also PSVaG-specific risks, notably risks associated with changes in the law and risks arising from the consortium agreement.

In addition to the economic impact of operational risks, particularly in terms of administrative costs, there are also potential risks to liquidity, reputation, corporate strategy and sustainable development to consider.

The biggest operational risk from an economic perspective is the risk of the profit share of the consortium members being lower than expected. A lower profit share will have a direct impact on the contribution rate. The PSVaG's influence on the level of profit sharing is minimal.

In terms of operational risks, electronic data processing is one of the main focuses. System availability in 2024 was estimated to be in excess of 99.5%. The system for data backups means that business operations can be restored within a very short space of time even in the event of a total data loss. Data is held redundantly with physical separation and is organised in such a way that there is no possibility of a data loss impacting on the proper operation of business processes.

There is a general risk of changes to the law and the risk that legal decisions made in individual cases will also apply to other areas of the PSVaG. This could impact on its obligation to pay benefits.

The PSVaG is affected by a lack of skilled personnel, increasing the time and effort it needs to dedicate to recruitment and professional development. This also means that staff vacancies cannot always be filled at short notice. This can impact on operations.

There is also a risk that third parties might no longer be able to perform the agreed service or could demand a higher price for that same service.

Additionally, risks can arise from erroneous or malicious acts by employees or third parties. To protect against such risks, the PSVaG has a graduated system of competencies such as signature and authorisation rules, duties and controls. This system flanks the business processes with both detailed organisational documents and technical measures, such as access controls. The PSVaG secures its IT infrastructure using the latest security tools, including firewalls and systems designed to detect malicious software. We carry out regular security testing of the external and internal infrastructure (penetration tests).

With regard to risks that pose a threat to the PSVaG's ability to operate, measures and contingency plans are in place to minimise harm.

Summary of the risk situation

Based on its own assessment, the PSVaG fulfils all of the regulatory requirements and considers itself to be well positioned in terms of risks and future requirements.

The uncertain economic situation could still push up insolvencies and trigger major negative effects on the capital markets, which would in turn lead to a higher contribution rate.

There are no further significant changes to risks compared with the previous year.

There were no developments detected that would jeopardise the PSVaG's continued existence.

Opportunities and aims for 2025

The PSVaG fulfils a statutory remit and does not pursue the aim of making a profit. Opportunities can therefore only exist insofar as this remit can be performed better by the PSVaG, in other words more quickly or favourably, or with a higher level of quality.

The PSVaG continues to work intensively on the issue of digitalisation, striving to digitise its business processes through the ongoing standardisation and automation of its workflows. This is creating a foundation upon which the PSVaG can optimise its internal processes and organise them more efficiently. In turn, this means that the service provided to members, persons entitled to benefits and external partners can be improved. Digital communication plays a key role in this regard. The use of state-of-the-art digital communication tools provides opportunities for better performance of the statutory remit. The PSVaG attempts to realise these opportunities by driving forward the digitalisation of communication with members, insolvency executors and beneficiaries. It is also investigating the scope for integrating artificial intelligence (AI) into its business processes to improve efficiency.

The PSVaG can fulfil its remit more favourably if it makes optimal use of potential sources of income. This is why, alongside security and liquidity, achieving a return is an investment aim pursued by the PSVaG. Furthermore, the contribution burden on members will be lower if the PSVaG can increase its income pursuant to Section 9 of BetrAVG.

The increasing number of reorganisations within insolvency proceedings is one particular factor that is opening up opportunities in this regard. Firstly, ensuring a business remains a going concern will generally create economic value add for creditors compared with breaking that business up. The PSVaG therefore supports well-founded restructuring projects within the framework of its co-determination rights. Secondly, the PSVaG uses special statutory regulations in such proceedings to persuade insolvent companies to continue their occupational pension schemes. Ultimately, the burden of vested pension rights is reduced if reinsurance policies can be transferred in full discharge of debt in accordance with Section 8, para. 2 of BetrAVG.

The PSVaG strives to enforce its rights in insolvency cases. Where the legal situation is unclear, it seeks economically sound solutions or resolves issues through legal channels. This also helps to ease the burden on members. With regard to insolvency proceedings that have not yet been concluded, the PSVaG has asserted claims in the approximate amount of € 5.1 billion. Given that these proceedings are simple insolvency claims, only a small, single-digit percentage can generally be expected to be paid.

Forecast and outlook

The level of claims during the first few weeks of 2025 was lower than average. A significant proportion of the insolvencies filed during the final months of 2024 had not been declared by the end of the year. The previous year's provision for rebates will cover the resulting expenses.

Looking at the wider economic picture, and the strained economic situation in particular, we expect the number of insolvencies to continue to rise. The smaller number of reported vacancies, which in the past was negatively correlated with the PSVaG's claims volume, also suggests that claims will rise above the long-term average in 2025. However, as recent years have shown, the actual claims volume will be heavily dependent on the individual occurrence of major claims.

The first rise in the actuarial interest rate for 30 years will have a positive effect. As of 1 January 2025, it will mean lower contributions to the Consortium and lower provisions for new insured cases. Depending on insolvency events over the year, we expect a positive effect to the tune of up to € 200 million per year.

With regard to our income from the Consortium dividend, we expect a slight increase, while we anticipate a slight year-on-year dip in income pursuant to Section 9 of BetrAVG.

Not least due to the new US administration, the year 2025 will be challenging at best. As far as Germany is concerned, more or less significant impetus to strengthen the economy can be expected after the upcoming general election. More key interest rate cuts are expected for Europe, while longer-term capital market interest rates are likely to remain stable or even climb slightly. In the United States – depending on the dynamics – there is even the possibility of key interest rate hikes and higher capital market interest rates. Geopolitics continue to represent a high risk factor, and conflicts over trade and tariffs are very likely. We will continue to invest in accordance with our strategic asset allocation focused on the medium term, and we will stick with our cash flow matching approach for directly held securities. Interest income is likely to rise again, buoyed by higher cost yields.

Administrative costs will be slightly higher than in the previous year, mainly due to further collectively agreed pay increases in the current year and the digitalisation measures required at the PSVaG. This will only have a minimal impact on the contribution rate, however.

By taking advantage of the comparatively low volume of claims in earlier years, we have been able to build up the compensation fund over the past few years, reaching the target level (€ 3.5 billion). Consequently, it is likely that, depending on how the contribution assessment base develops, only regular allocations will be required in future.

It is not possible to predict the future situation regarding the war in Ukraine, or in relation to geopolitical upheavals and their potential impact on business and the economy. A direct impact on the PSVaG cannot be excluded.

We plan to publish an initial forecast for the contribution rate for the current financial year at our members' meeting and to publish a circular to inform the member companies.

Cologne, 4 February 2025

Pensions-Sicherungs-Verein
Versicherungsverein auf Gegenseitigkeit
The Board of Management

Dr. Marko Brambach **Dr. Benedikt Köster**

Annual Financial Statements

Annual Balance Sheet as at 31 December 2024

Assets in €

	2024	2023
A. Intangible assets	308,807.36	534,317.25
B. Investments		
Other financial investments		
1. Shares, units or shares in investment funds, and other variable-yield securities	3,267,813,797.24	3,327,813,880.94
2. Bearer bonds and other fixed-income securities	2,032,847,105.54	2,000,711,502.03
3. Other loan receivables		
a) Registered bonds	1,736,000,000.00	1,653,700,000.00
b) Promissory notes and loans	1,062,701,073.78	1,115,217,631.97
4. Bank deposits	445,000,000.00	439,900,000.00
	8,544,361,976.56	**8,537,343,014.94**
C. Receivables		
I. Accounts receivable on direct written insurance business from policyholders	23,599,896.04	105,511,317.16
II. Other receivables	95,579.73	100,718.38
	23,695,475.77	**105,612,035.54**
D. Other assets		
I. Tangible assets and stocks (inventories)	3,958,590.45	4,426,638.39
II. Cash at bank in current accounts, cheques and cash in hand	23,789,456.24	54,035,162.73
	27,748,046.69	**58,461,801.12**
E. Accruals and deferrals		
I. Accrued interest and rent	47,478,970.95	40,258,309.15
II. Other prepayments and accrued income	31,244,827.15	38,616,187.58
	78,723,798.10	**78,874,496.73**
Total assets	**8,674,838,104.48**	**8,780,825,665.58**

Liabilities in €

	2024	2023
A. Capital and reserves		
Revenue reserves Loss reserve pursuant to Section 193 of VAG	**201,560,000.00**	**201,560,000.00**
B. Technical provisions		
Provision for insurance claims outstanding	4,538,364,197.50	4,462,856,042.31
Provision for bonuses and rebates	326,754,568.66	631,400,778.09
Other technical provisions	3,526,000,000.00	3,411,000,000,00
	8,391,118,766.16	**8,505,256,820.40**
C. Provisions for other risks and charges		
Provisions for pensions and similar obligations	67,421,246.00	63,874,352.00
Other provisions	4,398,546.83	4,482,770.21
	71,819,792.83	**68,357,122.21**
D. Other liabilities		
Accounts payable on direct written insurance business to policyholders	353,088.24	513,024.39
Other liabilities, of which taxes: € 38,998.90 (2023: € 20,503.82)	661,584.67	452,660.08
	1,014,672.91	**965,684.47**
E. Accruals and deferrals	**9,324,872.58**	**4,686,038.50**
Total liabilities	**8,674,838,104.48**	**8,780,825,665.58**

Income Statement

for the period from 1 January to 31 December 2024

Technical account in €

	2024	2023
Earned premiums		
Premiums written	180,938,296.73	741,754,449.07
Amount released from the previous year's provision for rebates pursuant to Section 6 of the Articles of Association	631,400,778.09	205,966,531.38
	812,339,074.82	**947,720,980.45**
Other technical income	**220,505,767.14**	**230,682,814.32**
Expenses for insurance claims		
Payments for insurance claims	627,332,851.51	636,210,364.81
Change in provision for claims outstanding (allocation, in prev. year reversal)	75,508,155.19	– 5,258,752.65
	702,841,006.70	**630,951,612.16**
Change in other technical provisions	**115,000,000.00**	**94,000,000.00**
Expenses for bonuses and rebates	**326,754,568.66**	**631,400,778.09**
Operating expenses	**12,807,264.01**	**12,562,811.30**
Other technical expenses	**18,020.24**	**5,189.86**
Balance of the technical account	**– 124,576,017.65**	**– 190,516,596.64**

Non-technical account in €

	2024	**2023**
Investment income		
Income from other investments	80,197,633.74	64,199,846.77
Income from value readjustments on investments	40,727,446.67	113,003,097.21
Gains on the realisation of investments	9,424,461.09	11,309,970.74
	130,349,541.50	**188,512,914.72**
Investment expenses and charges		
Investment management expenses, interest on borrowings and other investment-related expenses	3,363,964.42	3,162,161.64
Value adjustments on investments	2,971,855.06	294,180.00
Losses on the realisation of investments	0.00	365,245.35
	6,335,819.48	**3,821,586.99**
Other income	**2,468,354.16**	**7,617,705.66**
Other expenses	**1,906,058.53**	**1,792,436.75**
Profit for the year (operating profit from ordinary activities)	**0.00**	**0.00**
Transfers to revenue reserves: loss reserve pursuant to Section 193 of VAG	**0.00**	**0.00**
Balance sheet profit/balance sheet loss	**0.00**	**0.00**

10-year overview[1]

Overview of the development of the Pensions-Sicherungs-Verein from 2015 to 2024

Financial year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
No, of members as at 31 Dec.[2]	94,078	94,482	94,795	95,100	95,250	95,000	99,400	101,300	101,850	**103,050**
Contribution rate in ‰	2.4	0.0	2.0	2.1	3.1	4.2	0.6	1.8	1.9	**0.4**
Contribution assess-ment base in € billions	327	333	339	345	348	354	368	373	382	**392**
Total contributions in € millions	787	2	679	737	1,081	1,487	242	685	740	**171**
No, of insurable cases	515	458	468	372	434	523	298	275	417	**504**
Claim volume in € millions	862	507	659	660	1,188	1,591	725	582	631	**703**
No, of benefit recipients reported	8,564	5,023	5,300	8,700	4,300	18,900	4,900	4,800	9,800	**10,700**
No, of beneficiaries reported with non-forfeitable entitlement	10,116	8,890	9,800	10,500	14,100	33,100	9,300	9,400	52,100	**37,900**
Total assets in € millions as at 31 Dec.	5,511	5,355	5,931	6,511	7,512	8,277	8,151	8,257	8,781	**8,675**
Investments in € millions as at 31 Dec.	5,248	5,292	5,620	6,235	7,306	7,050	7,581	7,508	8,537	**8,544**
Compensation fund in € millions as at 31 Dec.	1,962	1,998	2,507	2,986	3,132	3,186	3,260	3,317	3,411	**3,515**
No, of PSVaG employees[3]	228	226	228	234	246	256	270	286	300	**302**

[1] An overview of all financial years since 1975 is available on the PSVaG website.

[2] Including insured non-members. These comprised 2 employers as at 31 December 2024.

[3] Average no. of employees including part-time employees or those whose employment has been suspended (parental leave, semi-retirement).

Members of the Consortium for the PSVaG

As at 31 December 2024, the following 45 life insurance companies were members of the Consortium for the PSVaG with Allianz Lebensversicherungs-Aktiengesellschaft, Stuttgart, as the executive insurer:

Life insurance undertaking	Sponsoring share
Ager Lebensversicherung Aktiengesellschaft	2.9%
Allianz Lebensversicherungs-Aktiengesellschaft	16.8%
Alte Leipziger Lebensversicherung auf Gegenseitigkeit	2.5%
Athora Lebensversicherung Aktiengesellschaft	2.0%
AXA Lebensversicherung Aktiengesellschaft	5.2%
Balosie Lebensversicherung Aktiengesellschaft Deutschland	2.0%
Bayern-Versicherung Lebensversicherung Aktiengesellschaft	2.4%
BY die Bayerische Vorsorge Lebensversicherung a.G.	1.2%
Concordia oeco Lebensversicherungs-AG	0.1%
Condor Lebensversicherungs-Aktiengesellschaft	0.5%
Continentale Lebensversicherung AG	0.4%
COSMOS Lebensversicherungs-Aktiengesellschaft	0.2%
Credit Life AG	0.2%
ERGO Lebensversicherung Aktiengesellschaft	10.2%
Frankfurter Lebensversicherung AG	0.8%
Frankfurt Münchener Lebensversicherung AG	0.6%
Generali Deutschland Lebensversicherung AG	2.7%
Gothaer Lebensversicherung Aktiengesellschaft	3.4%
Hannoversche Lebensversicherung AG	0.7%
HanseMerkur Lebensversicherung AG	0.5%
HDI Lebensversicherung AG	4.2%
HUK-COBURG-Lebensversicherung AG	0.1%
IDEAL Lebensversicherung a.G.	0.3%
INTER Lebensversicherung AG	0.3%

Life insurance undertaking	Sponsoring share
Lebensversicherung von 1871 auf Gegenseitigkeit München	0.3%
LVM Lebensversicherungs-AG	0.1%
Mecklenburgische Lebensversicherungs-Aktiengesellschaft	0.1%
MÜNCHENER VEREIN Lebensversicherung AG	0.3%
neue leben Lebensversicherung Aktiengesellschaft	0.1%
Nürnberger Lebensversicherung Aktiengesellschaft	3.1%
Öffentliche Lebensversicherung Braunschweig	0.2%
Öffentliche Lebensversicherungsanstalt Oldenburg	0.1%
Provinzial Lebensversicherung Hannover	0.6%
Provinzial Lebensversicherung Aktiengesellschaft	2.6%
Proxalto Lebensversicherung Aktiengesellschaft	9.5%
R+V LEBENSVERSICHERUNG AKTIENGESELLSCHAFT	2.8%
SIGNAL IDUNA Lebensversicherung a.G.	3.9%
Stuttgarter Lebensversicherung a.G.	0.7%
SV SparkassenVersicherung Lebensversicherung Aktiengesellschaft	2.0%
Swiss Life Lebensversicherung SE	1.0%
Versicherer im Raum der Kirchen Lebensversicherung AG	0.2%
VOLKSWOHL-BUND LEBENSVERSICHERUNG a.G.	0.8%
Württembergische Lebensversicherung Aktiengesellschaft	5.0%
WWK Lebensversicherung auf Gegenseitigkeit	1.2%
Zurich Life Legacy Versicherung AG (Deutschland)	5.2%

Contact details

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Our Annual Report can be downloaded from our website in German and English (summarised version). Also available (in German) are the Articles of Association and the General Terms and Conditions of Insolvency Insurance for Corporate Old-Age Pensions (AIB), as well as the most recent versions of all information leaflets.

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Insolvenzsicherung
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