Talanx Capital Markets Day

“Execution & Delivery“

London, 23 November 2017

talanx.
Insurance. Investments.

Agenda

I	Group Strategy	Herbert K. Haas
II	Group Financials	Dr. Immo Querner
III	Retail International	Torsten Leue
IV	Industrial Lines	Dr. Christian Hinsch
V	Retail Germany	Dr. Jan Wicke
VI	Final Remarks	Herbert K. Haas

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A retrospective glance – Capital Markets Days since 2013

Capital Markets Day 2013

Talanx Group

Capital Markets Day 2014

Retail International

Capital Markets Day 2015

Industrial Lines

Capital Markets Day 2016

Retail Germany

Capital Markets Day 2017

Talanx Group

The CMD 2017 focus is on “Execution & Delivery“ across the Talanx Group

A retrospective glance – Our well-known initiatives

Our programmes and topics of focus

Demographic change

Low-yield environment

Soft insurance markets

Industrial Lines

Retail Germany

Retail International

Balanced Book

KuRS
Die Zukunft sichern.

tiGROW

Earnings balance

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Insurance. Investments.

Infrastructure investments

Profitable foreign growth

Internal Model

Digitalisation

Solvency II

New accounting standards

Talanx has been implementing its goals and programmes in a challenging environment

A retrospective glance – Our agenda at the time of the IPO

Talanx IPO – Investor presentation (September 2012)

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"A leading German insurer with a unique global growth story and an excellent risk / return profile."

1	Global insurance group with leading market positions and strong roots in Germany	still valid
2	B2B competence allows business integration across all divisions and enhances profitability	still valid
3	Sophisticated underwriter with low gearing to market risk	still valid
4	Proven earnings resilience demonstrates attractive risk-return profile	still valid
5	Earnings momentum driven by defined cost efficiencies, focused international growth and increased retention	still valid
6	Solid capitalisation enhanced by diversification benefits embedded in business model	still valid
7	Shareholder value-based targets delivered by best-in-class management team	still valid

Total Shareholder Return ~17% p.a. since IPO[1]

1 Calculated for the 5 years from the IPO to 2 October 2017

Key investment highlights as communicated ahead of the IPO have proven sustainable – and successful

Our agenda for today - and for tomorrow

I. **Further internationalisation of the Group**

II. **Better diversified earnings balance from Reinsurance and Primary Insurance**

III. **Improving the cash-generating capacity**

IV. **Driving digitalisation and innovation**

V. **Safeguarding the resilience of the Group**

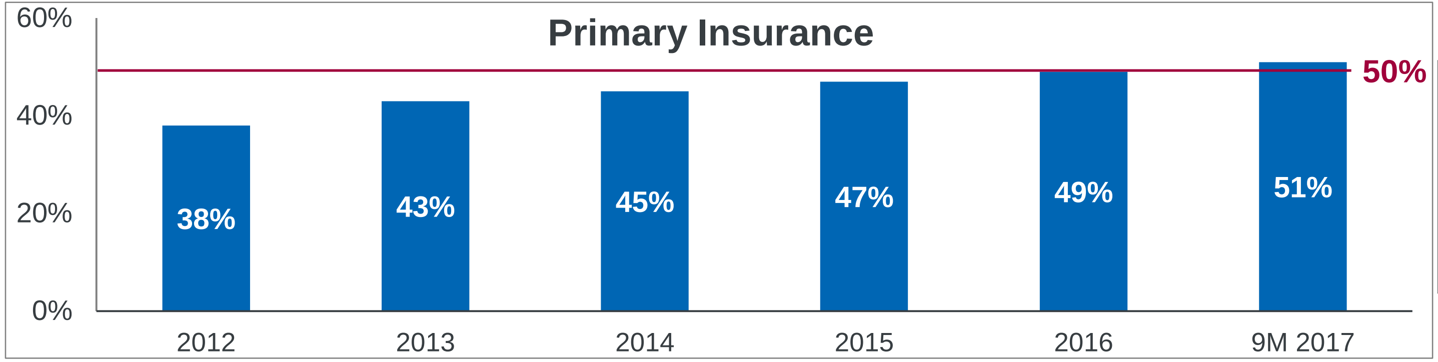
VI. **Attractive risk-return profile for our shareholders**

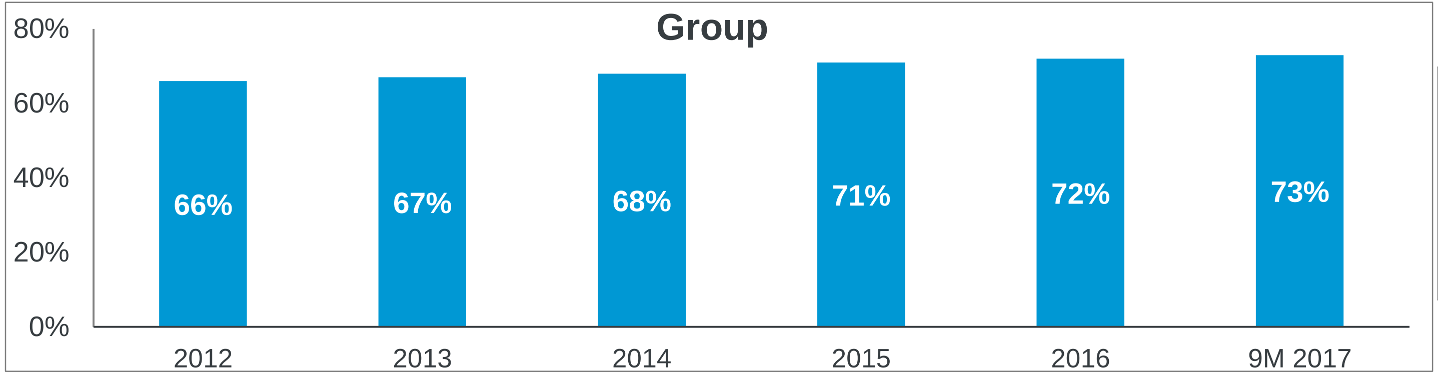
Post IPO initiatives

Well-defined initiatives to further enhance the attractiveness of our business profile

I. Further internationalisation of the Group - Continuous growth of the Group's foreign business

Share of foreign business of GWP





Comments

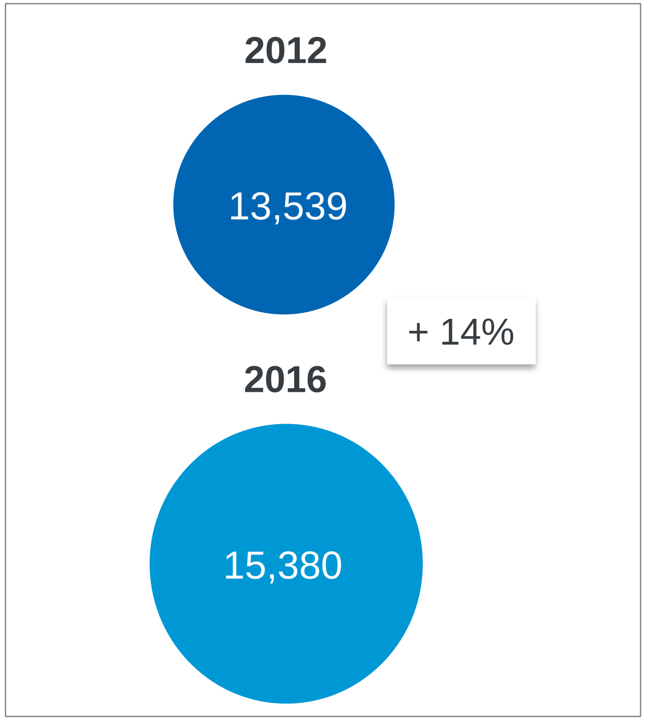
- Raising the share of foreign business to 50% as targeted for 2018 has already been achieved
- Ongoing emphasis on growing the foreign business profitably
- Long-term foreign business share aspiration of ~2/3 of GWP

- Including Hannover Re's business, the share of international business is even higher
- Hannover Re's share of foreign business has been at continuously high levels (FY2016: ~92%)

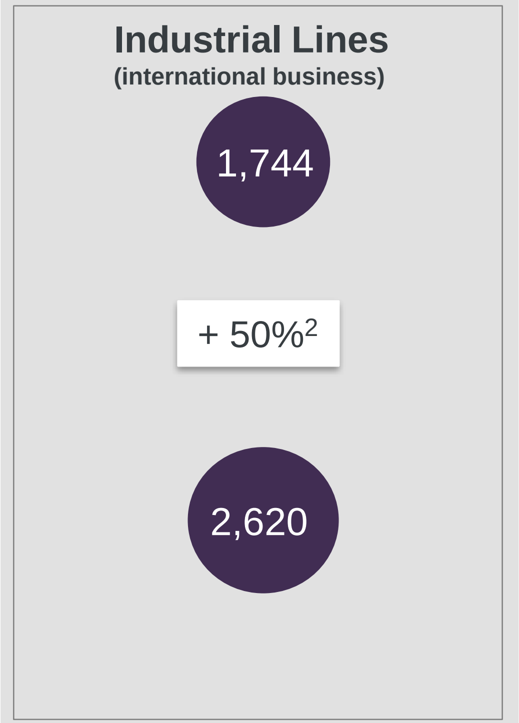
Foreign share of GWP in Primary Insurance amounts to more than 50%

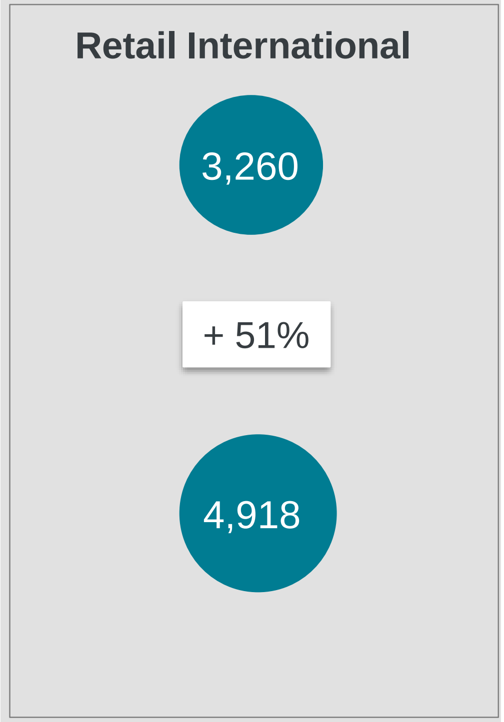
I. Further internationalisation of the Group – Foreign growth in Primary Insurance by division

Comparison of GWP[1] (in EURm)



Divisional GWP 2012 vs. 2016 (in EURm)

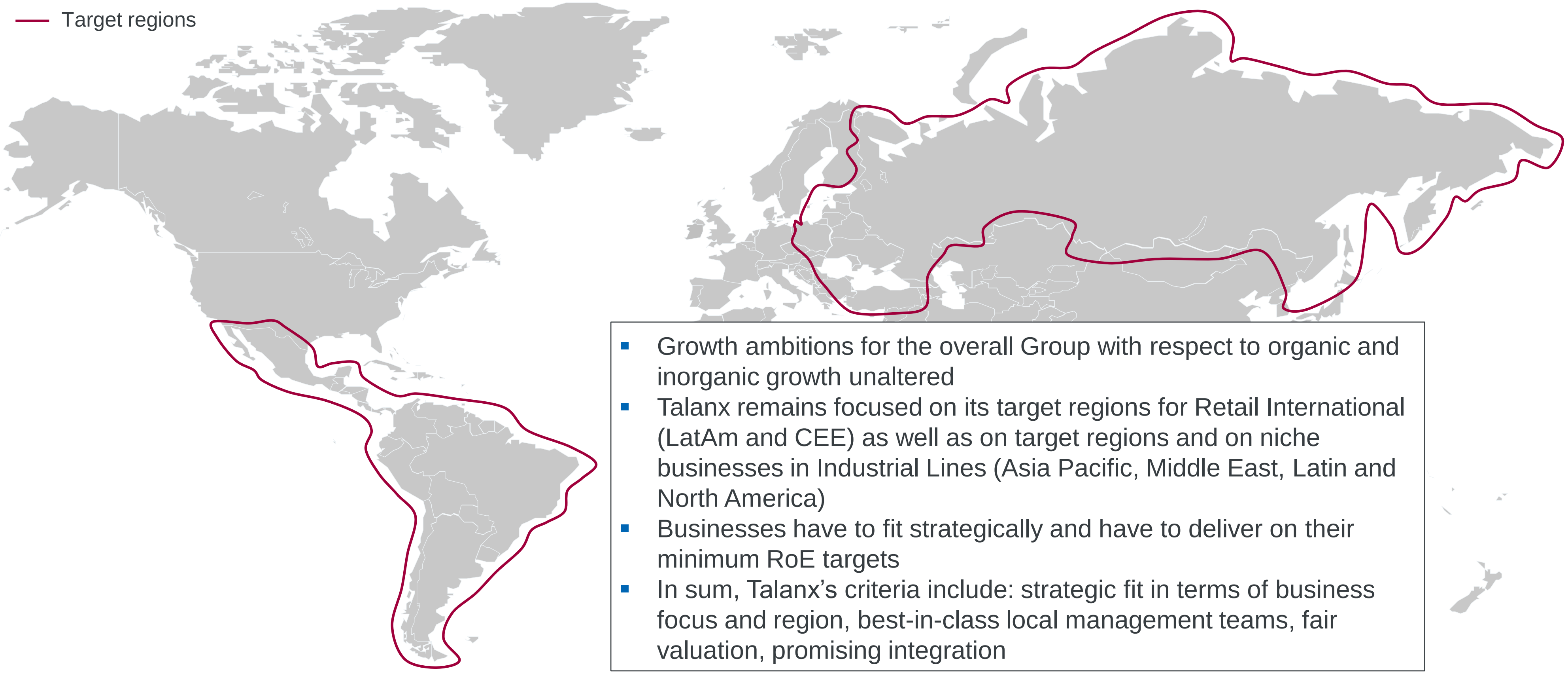




1 Only premiums from Primary Insurance business 2 Only foreign premiums

Retail International and the foreign industrial business driving the Primary Group's GWP growth

I. Further internationalisation of the Group – Targeted areas of organic and inorganic international growth (Retail International)



- Growth ambitions for the overall Group with respect to organic and inorganic growth unaltered
- Talanx remains focused on its target regions for Retail International (LatAm and CEE) as well as on target regions and on niche businesses in Industrial Lines (Asia Pacific, Middle East, Latin and North America)
- Businesses have to fit strategically and have to deliver on their minimum RoE targets
- In sum, Talanx's criteria include: strategic fit in terms of business focus and region, best-in-class local management teams, fair valuation, promising integration

Retail International focused on exploiting growth opportunities in Latin America and in CEE

I. Further internationalisation of the Group – Targeted areas of organic and inorganic global growth (Industrial Lines)

Major growth drivers Europe

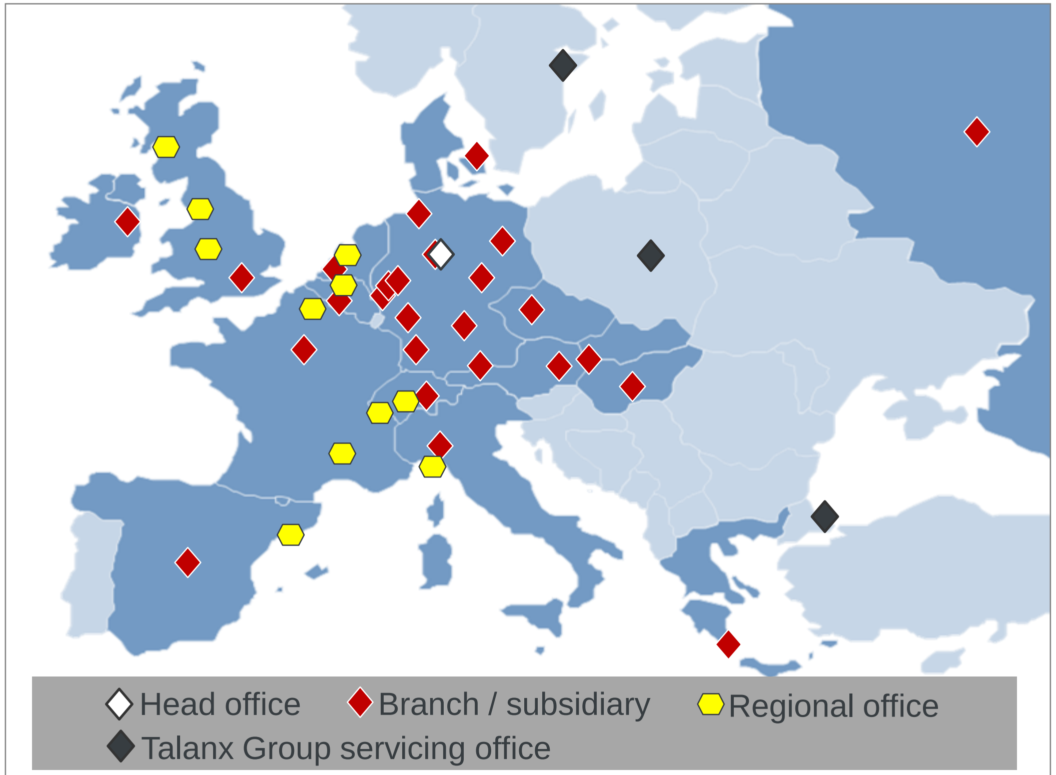
Focus on organic growth

Regional offices
Proximity to SME, mid market, 2nd & 3rd tier brokers

SME & mid-market solutions
Products, online sales, …

New LoBs
Cyber, sports, …

Locations & regional offices



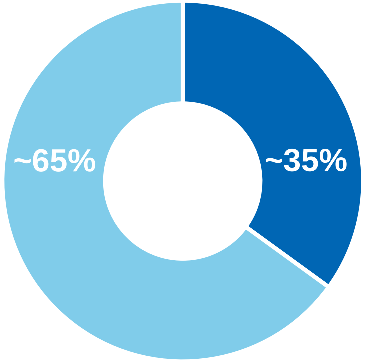
Comments

- Opening regional offices in selected European markets
- New offices in Genoa, Lyon, Glasgow (all 2016), Bern, Lille (all 2017) already operating successfully
- Focus on local clients and regional brokers

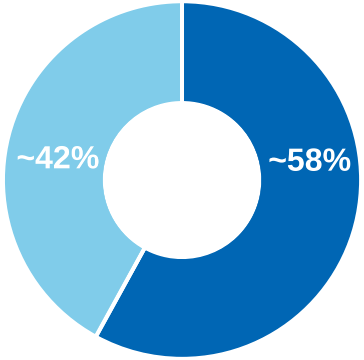
Investment in regional offices to tap growth potential of European mid market

II. Better diversified earnings balance between Reinsurance and Primary Insurance – Earnings balance (I)

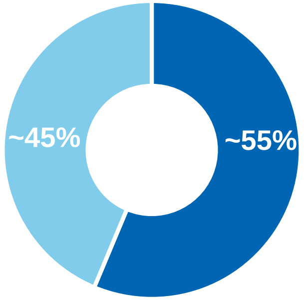
GWP by segment 2016[1]



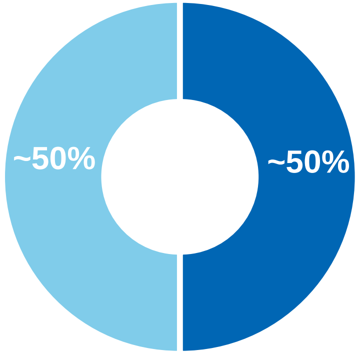
EBIT by segment 2016[1]



EBIT by segment 9M2017



EBIT ambition by 2021[1]



Primary Insurance
Reinsurance

1 Adjusted for the 50.2% stake in Hannover Re

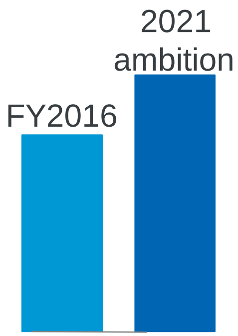
Primary Insurance‘s EBIT contribution on track to strongly improve by 2021

II. Better diversified earnings balance between Reinsurance and Primary Insurance – Earnings balance (II)

Divisional EBIT contribution and its drivers

Industrial Lines

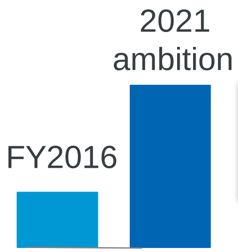
- Profitable foreign growth
- Continued profitabilisation of selected portfolios ("balanced book")
- Higher average return on investment



Mid-term RoE aspiration **~8%**

Retail Germany

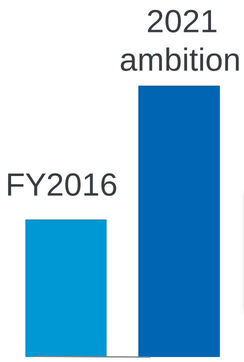
- Steadily improving combined ratios primarily driven by lower cost ratios
- Selective growth initiatives
- Further de-risking of life business



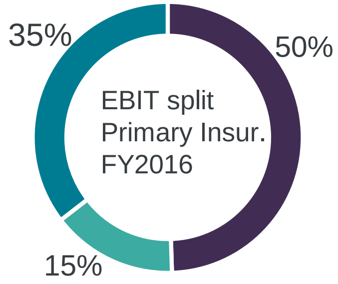
Mid-term RoE aspiration **~6-7%**

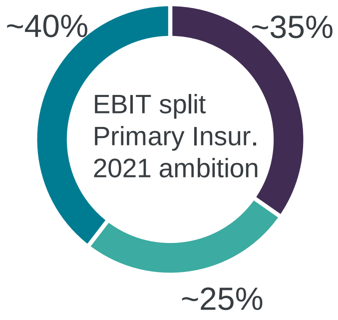
Retail International

- Strong profitable growth
- Slightly improving combined ratios
- Slightly better average return on investment



Mid-term RoE aspiration **~9%**





All Primary Insurance divisions are expected to contribute to the targeted EBIT increase by 2021

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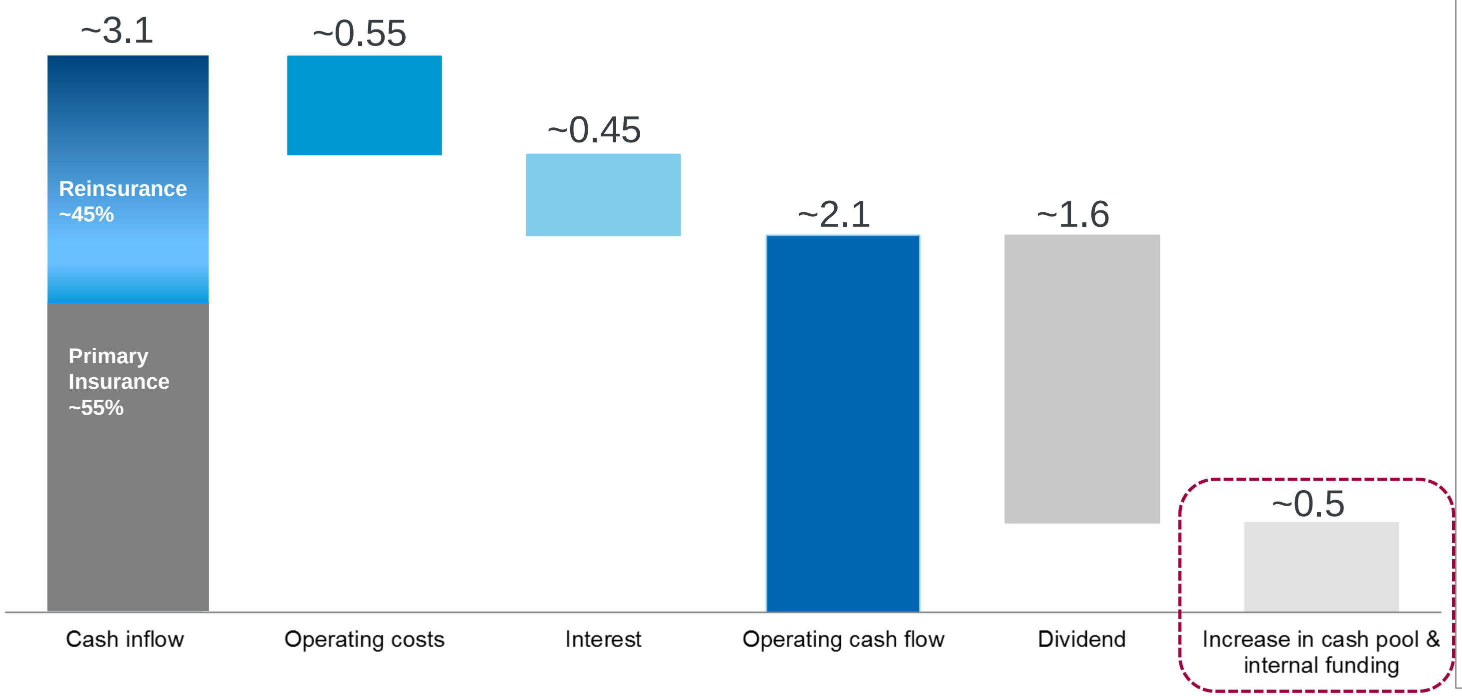
III. Improving the cash-generating capacity – Cash earnings: Liquidity position of Talanx AG

Sources of cash versus use of cash during calendar years 2012 - 2017[1] in EURbn



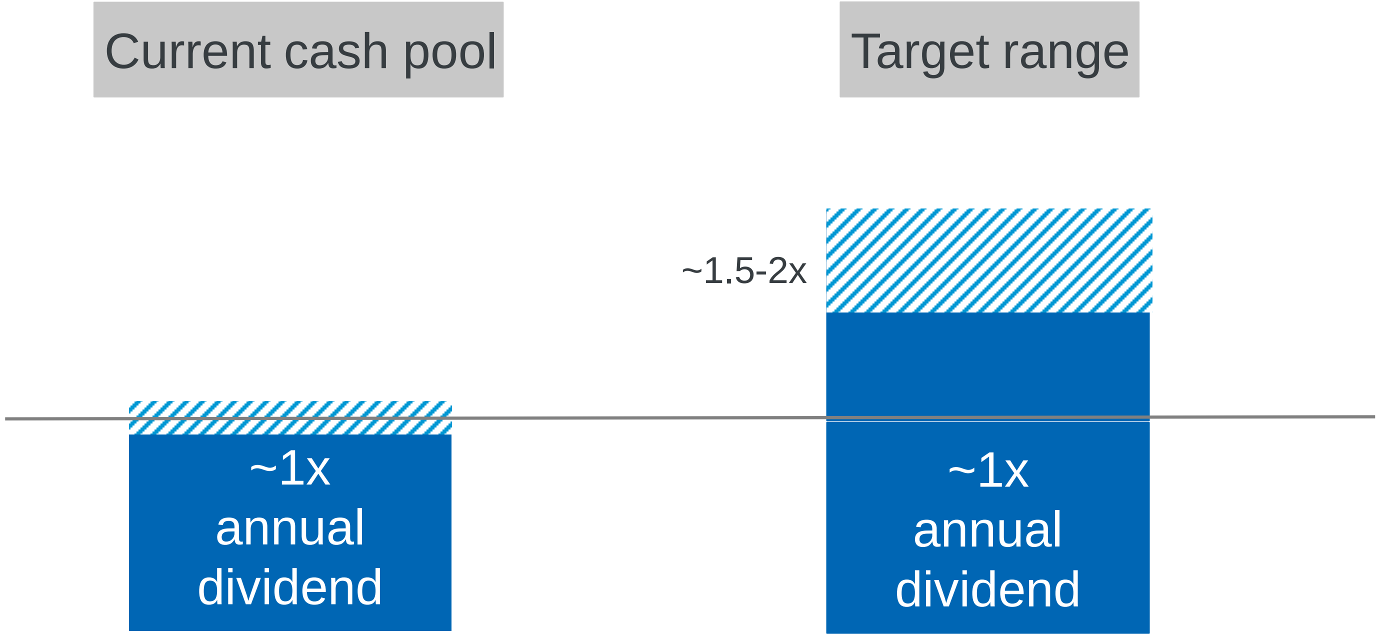
- Excess capital in operating entities to be up-streamed
- Restrictions include minimum capitalisation levels (rating agencies and regulators), local accounting and dividend restrictions (e.g. Germany and Poland) and other market specifics
- Cash contribution from Hannover Re to decrease gradually in relative terms as the contribution from the Primary Insurance businesses is expected to rise

1 All figures: Talanx AG, local GAAP (HGB)

Retained cash is used for internal funding and additions to the cash pool

III. Improving the cash-generating capacity – Cash pool and objectives

Liquidity position at holding level

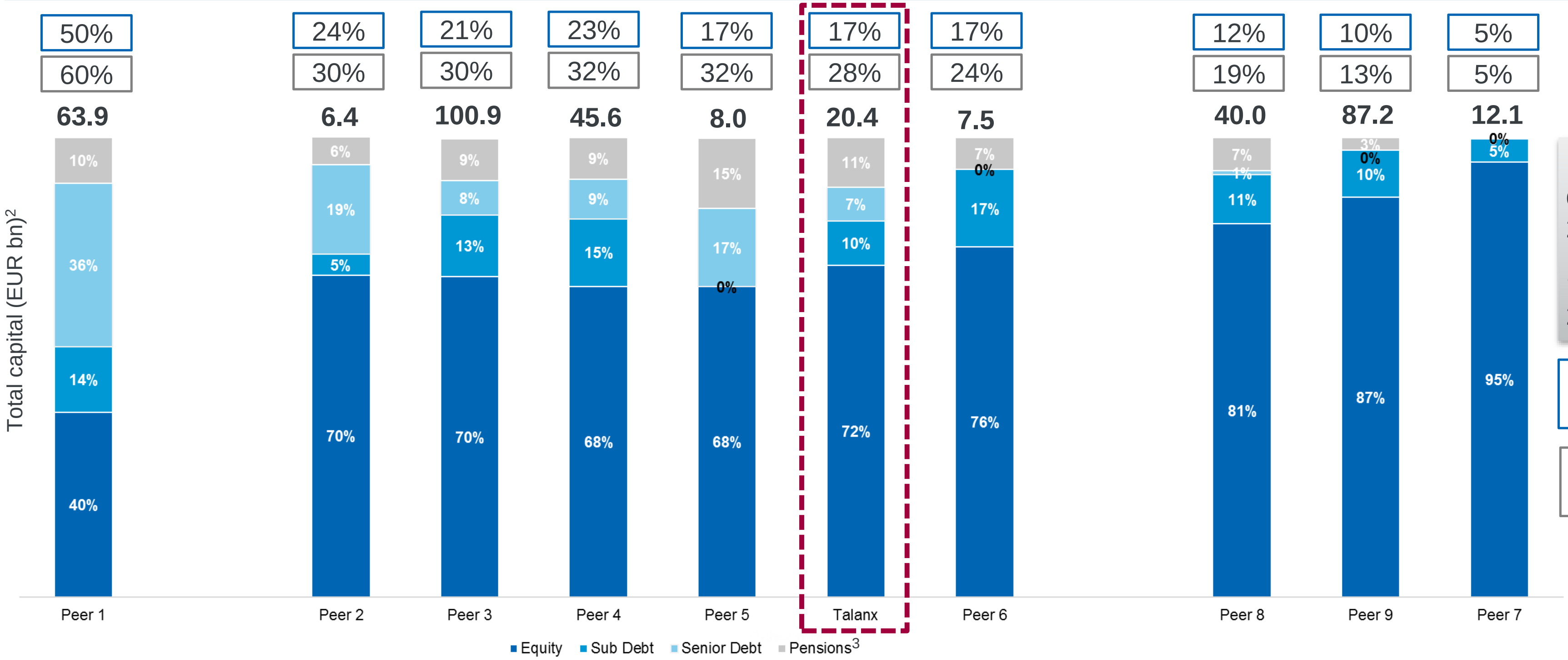


- Currently, the cash pool amounts to around one annual dividend – ensuring Talanx's ability to keep dividends at least stable
- It is our aim to roughly double the pool to be able to exploit opportunities in crisis situations without necessarily tapping the capital markets
- Following the IPO, Talanx has financed acquisitions with internal funds and, in parallel, it has reduced its leverage
- The unutilised lines of credit of EUR 1bn also act as an additional safety buffer

Cash position at holding level at around one annual dividend

III. Improving the cash-generating capacity – Leverage versus Peers

Capital structure benchmarking[1]



Materially deleveraged vs. 2012

17% vs. 25%

28% vs. 33%

Senior and subordinated debt leverage[4]

Senior and subordinated debt + pensions leverage[4]

1 Peer group consist of Allianz, AXA, Baloise, Generali, Mapfre, Munich RE, RSA, VIG, Zurich. Numbers as of FY16
2 Defined as the sum of total equity (incl. min.), subordinated debt and senior debt
3 Funded status of defined benefit obligation
4 Calculated in % of total capital

Talanx with a significantly reduced leverage level – moderately geared in a peer comparison

IV. Driving digitalisation and innovation – Holding as a facilitator and driver of Group-wide initiatives

Management commitment is at the top of the agenda

- Holding dedicated to facilitate projects for decentral entities
- Human resources development promoting digital and agile skills and mind-set
- Cooperation with accelerators help us to gain access to the most promising insurtech start-ups
  - Startupbootcamp, London
  - Plug and Play, Silicon Valley
- Setup of two-speed IT to promote fast-track innovation
- Group-wide know-how transfer (best practice approach)

Facilitating and driving change

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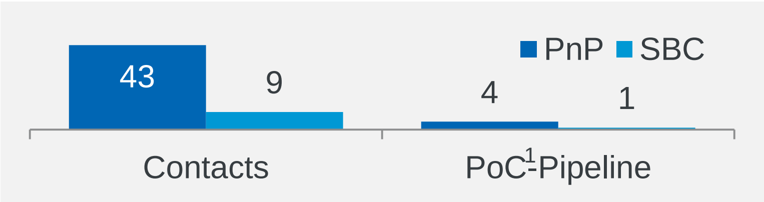
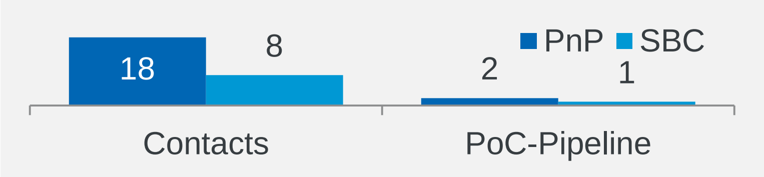
IV. Driving digitalisation and innovation – Excellent access to start-ups and external know-how

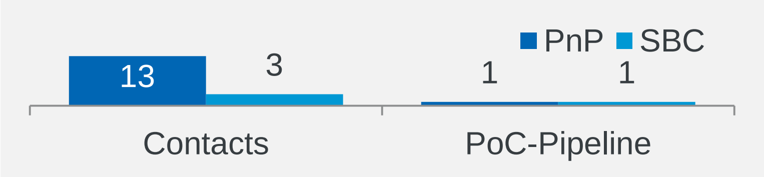
Activity and openness across all divisions



Retail Germany



Retail International



Industrial Lines

Reinsurance

- All divisions are very actively using Talanx's partnerships with accelerators
- In sum, the Group has ~80 contacts with start-ups (75% attributable to Plug and Play, 25% attributable to Startupbootcamp)
- Cooperation with accelerators enables us to monitor and initiate innovative developments and to gain access to best-in-class business models

PLUGANDPLAY PNP

Startupbootcamp SBC

1 Proof of Concept, i.e. pilot status

IV. Driving digitalisation and innovation – Overview of current cooperation initiatives with start-ups

Subject	Lead
Telematics, usage-dependent insurance	Retail International
Machine learning/Predictive Analytics, Proof of Concept in pricing	Retail International
Big Data/Analytics, risk analysis in supply chains	Industrial Lines
3D camera- and AI[1]-based motion analysis	Retail Germany
Product configurator, third-party administrator	Retail Germany
Cyber security platform for SMEs	Retail International
Platform to build predictive models (ML/Big Data)	Retail Germany
Predictive analytics/Machine learning in the field of customer intelligence and customer experience	Retail Germany
Machine learning for cyber insurance	Retail Germany
Data analytics/AI, policy-reviews	Industrial Lines
Parametric earthquake insurance	Reinsurance
Digital ecosystem for innovative homeowners insurance	Reinsurance

1 Artificial intelligence

Cooperation with start-ups across divisions and geographies following the diligent selection process

IV. Driving digitalisation and innovation – Promising results of internal initiatives

Industrial Lines

Retail Germany

Retail International

- ~23,000 uses of our **Claims App** across Retail Germany and Industrial Lines in 2017 (as of October 2017)
- ~7,000 uses in 2016 (launched in April 2016)

- **Automatable processes** 100%[1] digitalised in Brazil and Turkey

Industrial Lines

- **Accident insurance app** is used by 15,000 employees of insured companies
- 3,000 new clients in **drone insurance** via online sales
- 50,000 new policies in **travel insurance** via online sales

Retail Germany

- End-to-end automation quota ~90% for **Direct Motor** (at HDI)
- 64,000 company pension scheme contracts from 417 different employers are already administrated by **HDI bAVnet**

Retail International

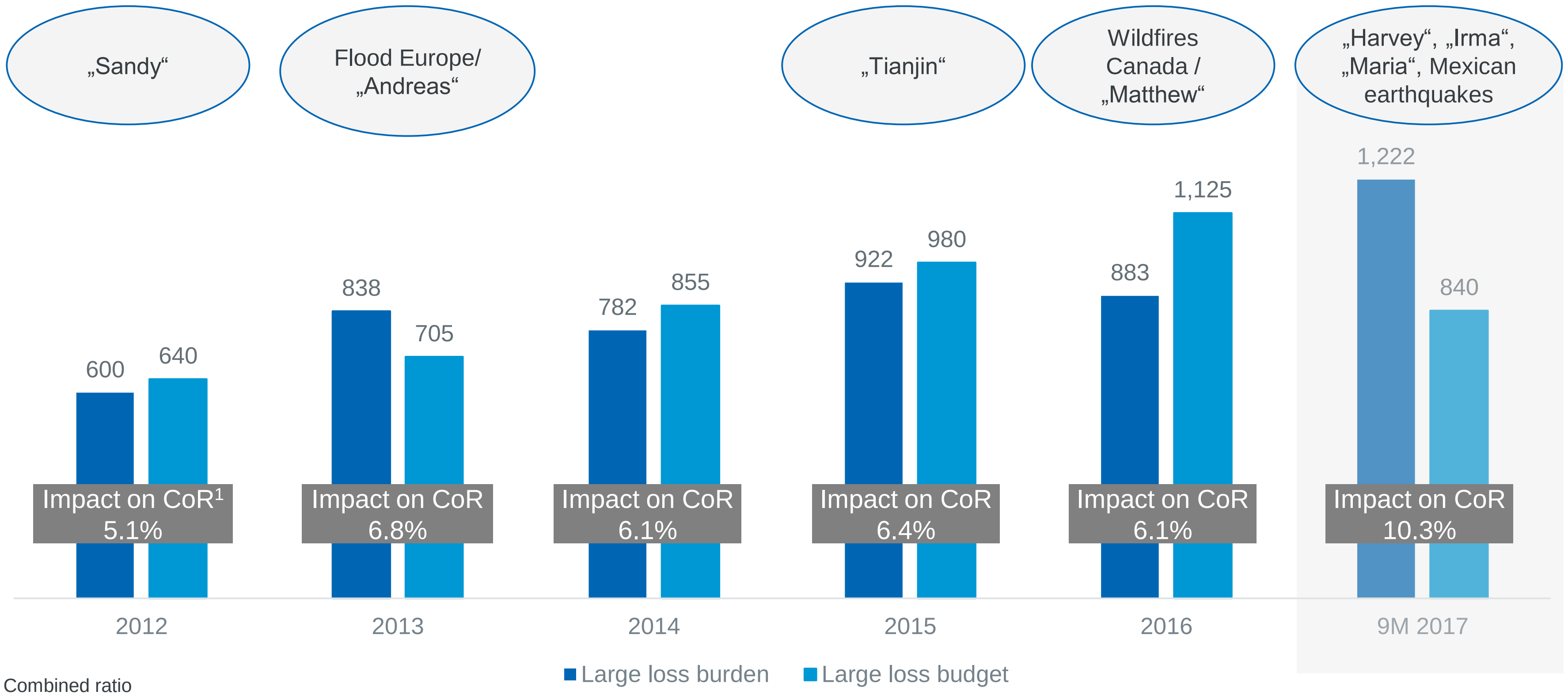
- Ratio of **automated quoting** at 90% for motor and household offers in Poland
- Faster **policy issuing**, e.g. quote to policy of 3.5 hours in Mexico

1 Shares of standard processes in Motor: 90% in pricing, 60% in claims services

Talanx is increasing its speed of interaction, enhancing consumer satisfaction and boosting online sales

V. Safeguarding the resilience of the Group – Major net losses since IPO

Major large losses (net) versus annual large loss budgets (in EURm)



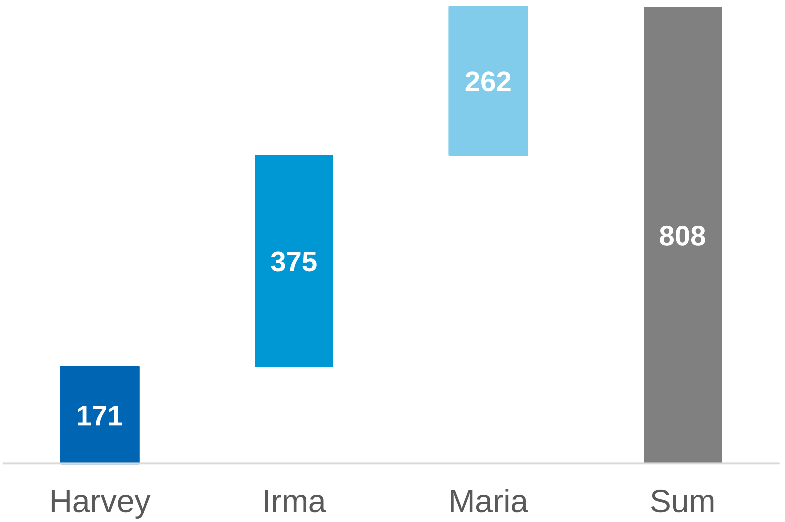
1 Combined ratio

9M 2017 combined ratio is strongly affected by recent large losses – 2017 an exceptional large loss year

V. Safeguarding the resilience of the Group – Return periods

Net losses from recent US hurricanes (in EURm)

Return period
~20-30 years[1]



Net losses from recent Mexico earthquakes (in EURm)

Return period
~50 years[2]

1 According to our Internal Model and with respect to annual Talanx Group losses in such magnitude, originating from peril “Atlantic Hurricane”
2 According to our Internal Model and with respect to annual Talanx Group losses in such magnitude, originating from peril “Mexico Earthquake”

9M 2017 affected by exceptionally large loss events

V. Safeguarding the resilience of the Group – Defining and managing major risks to the Group

Explanation of the approach

Scenario selection

- *Which stress scenarios are realistic?*

Scenario description and modelling assumptions

- *How to set parameters? Are there any second-round effects?*

Scenario impact estimation

- *What is the impact at the solo level, at Group level and for Talanx AG?*[1]
- *To what extent would stresses affect capitalisation levels and results?*

V. Safeguarding the resilience of the Group – Major risks to the Group
I) European credit crisis due to Italy's euro exit

Scenario description

Euro exit of a major country with the example of Italy, which is followed by a flight to safe havens. Scenario parameters include:

- Drop of risk-free yield curve (-83bp; parallel shift)
- Re-introduction of the Lira followed by a significant depreciation (30% against all currencies)
- Spread of the crisis via the banking sector
- Detailed modelling of stress impact on Italian government and corporate bonds (material drop in market values)
- Significant spread-widening for European banks and corporates
- Rating downgrades for Italian sovereign bonds and corporates (all) as well as for European banks

Impact from stress

	Solvency II Ratio
Industrial Lines	above 120%
Retail Germany	above 120%
Retail International	above 120%
Reinsurance	above 120%
Group[1]	~120%

1 Without the effect of applicable transitional measures on Group level

Disastrous scenario, but absorbable across the Group

V. Safeguarding the resilience of the Group – Major risks to the Group
II) Global Pandemic

Scenario description

Outbreak of a pandemic in Asia followed by a global spread. Scenario parameters include:

- Focus on Reinsurance as Primary Insurance's exposure regarding life catastrophes is negligible in impact
- Underwriting risk life: Extra mortality +1.5‰ and morbidity 30%
- Consideration of economic second-round-effects on Own Funds: Equities -10% and spread-widening
- Consideration of second-round-effects on risk
- Decrease in global economic output

Impact from stress

	Solvency II Ratio
Industrial Lines	above 150%
Retail Germany	above 150%
Retail International	above 150%
Reinsurance	above 150%
Group[1]	above 150%

1 Without the effect of applicable transitional measures on Group level

Negligible impact on Solvency II Ratios expected in case of a global pandemic

V. Safeguarding the resilience of the Group – Major risks to the Group
II) Earthquake New Madrid (USA)[1]

Scenario description

New Madrid earthquake consisting of three single events within one calendar year (following 1811/1812 series) with major influence on HDI Global and Hannover Re. Scenario parameters include:

- Gross losses for HDI Global and Hannover Re potentially amounting to ~ EUR 10.7bn
- Default of several US insurers triggering increased need for cover
- Fed intervention in order to stabilise capital markets
- No additional reinsurance coverage for HDI Global while Reinsurance keeps its exposure stable

Impact from stress

	Solvency II Ratio
Industrial Lines	below 100%
Retail Germany	Not materially affected
Retail International	Not materially affected
Reinsurance	above 140%
Group[2]	~140%

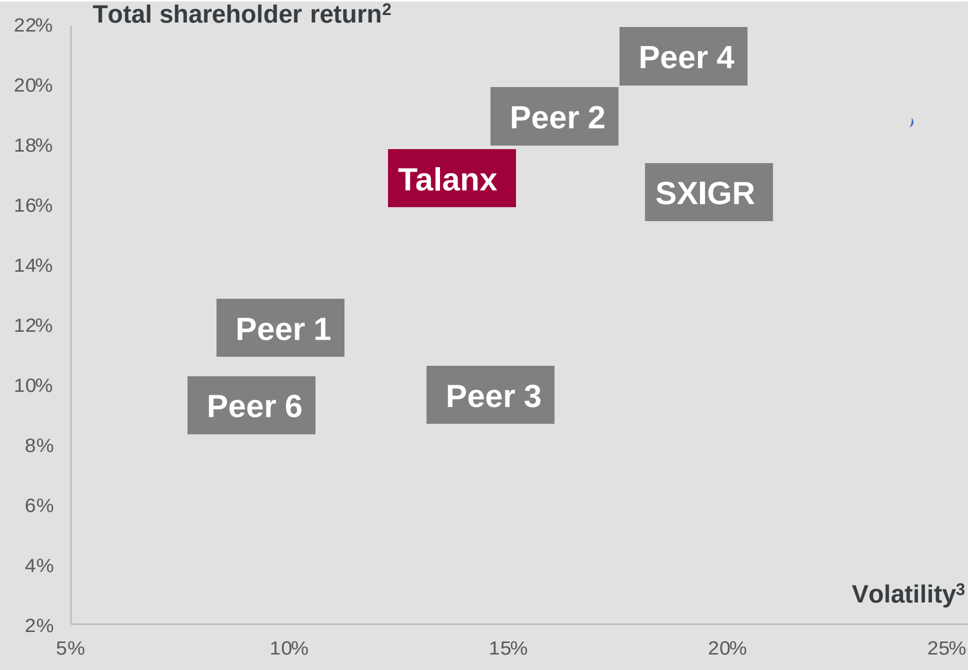
This scenario is a 1:10,000-year event in terms of NatCat model

1 Earthquake New Madrid does not only refer to the city of New Madrid but also to the “New Madrid Seismic Zone”. It is the worst NatCat scenario for the Group
2 Without the effect of applicable transitional measures on Group level

Group‘s Solvency II Ratio well above 100% - HDI Global more significantly affected in case of such a 1:10,000-year event

VI. Attractive risk-return profile for shareholders - Peer comparison[1]: Risk-return profile

Talanx share with an attractive risk-return profile



Risk-return profile

Company	Yield-to-risk ratio[4]
Talanx	**1.29**
Peer 1	1.21
Peer 2	1.18
Peer 3	1.12
Peer 4	1.01
SXIGR	0.86
Peer 6	0.73

[4] Quotient from TSR and coefficient of variation

1 Peers: Munich Re, Allianz, AXA, Zurich, Generali, SXIGR (STOXX Europe 600 Insurance) sector index
2 Annualised TSR defined as price performance plus dividends over the period from 02/10/2012 until 02/10/2017
3 Volatility defined as coefficient of variation, i.e. quotient from standard deviation and average share prices, over the period from 02/10/2012 until 02/10/2017

It is our aim to keep the best-in-class position in terms of yield-risk-ratio

Outlook for Talanx Group 2017[1]

Gross written premium	>4%
Return on investment	≥3.0%
Group net income	~650 EURm
Return on equity	~7.5%
Dividend payout ratio	35-45%[2] target range

Please note:
Targets are subject to no large losses exceeding budget **(cat)**, no turbulences on capital markets **(capital)**, and no material currency fluctuations **(currency)**

1 The targets are subject to the large loss burden during the forth quarter not exceeding the large losses budgeted for one quarter
2 A dividend payout at least equal to the year-earlier level is assured from today's perspective

Outlook for Talanx Group 2018[1]

Gross written premium	≥ 2%
Return on investment	≥3.0%
Group net income	~850 EURm
Return on equity	~9.0%
Dividend payout ratio	35-45% target range

Please note:
Targets are subject to no large losses exceeding budget **(cat)**, no turbulences on capital markets **(capital)**, and no material currency fluctuations **(currency)**

1 The targets are based on a large loss budget of EUR 300m (2017: EUR 290m) in Primary Insurance, of which EUR 260m (2017: EUR 260m) in Industrial Lines. The large loss budget in Reinsurance stands at an unchanged EUR 825m

Key Messages

- Our corporate agenda has proven consistent
- We have clearly marked areas for improvement and successfully execute on our initiatives
- We benefit from a strong exposure to growth businesses
- Safeguarding the stability of our Group is our top priority to the benefit of both policyholders and investors
- It remains our aim to deliver a best-in-class risk-return profile for our investors

Agenda

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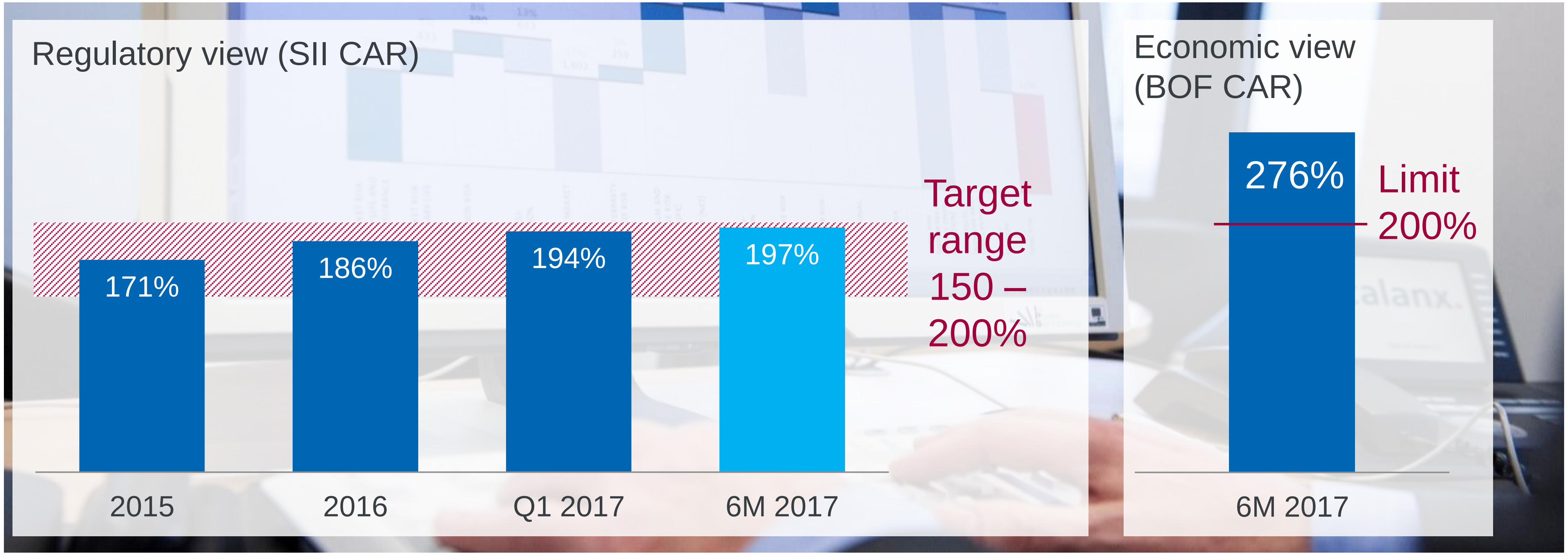
The CFO's agenda – not just for today

- Further improve our internal SII model
- Secure sufficient – but not too much – own funds at all entities
- Systematically expand our infrastructure portfolio
- Sustainably achieve decent investment returns
- Prepare for upcoming accounting and auditor changes

Solvency II – Development of capitalisation

Solvency II capitalisation within target range

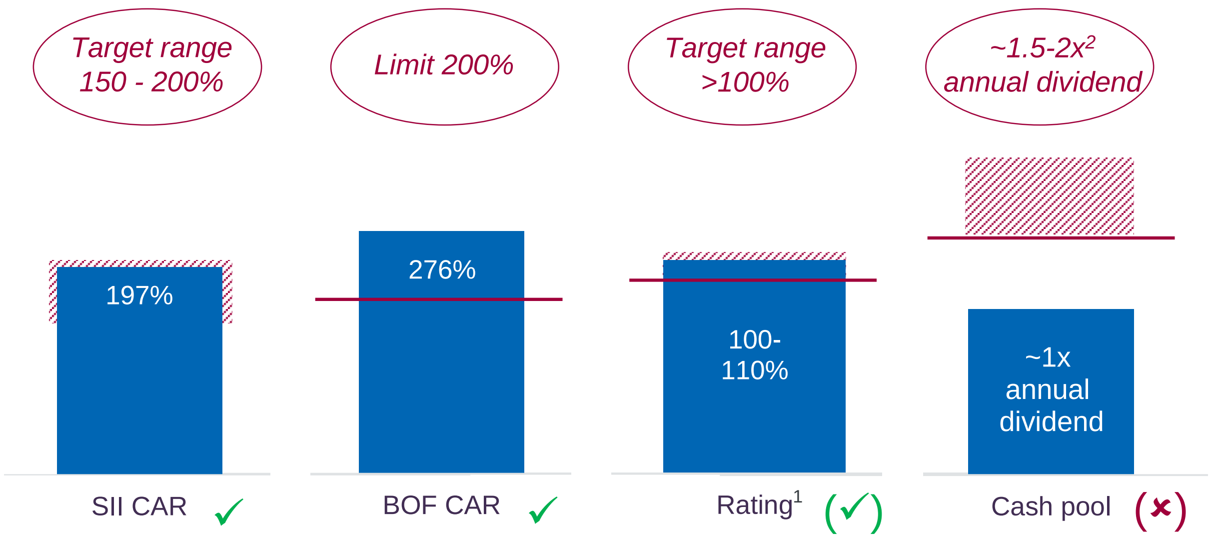


Note: Solvency II ratio relates to HDI V.a.G. as the regulated entity. The chart does not contain the effect of transitional measures.
Solvency II ratio including transitional measures for FY2016 was at 236% (6M 2017: 243%).

Positive development of Solvency II CAR

Solvency II – SII capitalisation vs. other metrics

Capitalisation at current levels



Comments

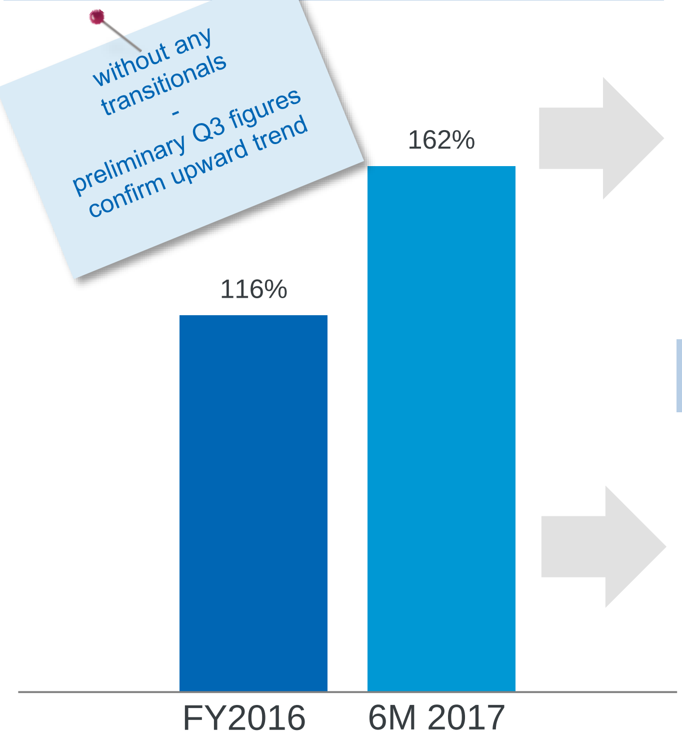
- Both SII as well as rating capitalisation are at or above target levels
- The buffer for the targeted AA rating in Standard & Poor's capital model is somewhat smaller than on the SII side
- We are still in the process of building up our cash pool to target levels

1 S&P Capital Model as per 31 Dec 2016; the Group's equity resources are intended to meet at least the requirements of Standard & Poor's capital model for an AA rating
2 Compared to the likely year-end 2017 cashpool, which is 1x annual dividend; the target is a cashpool of 2x annual dividend (≥ EUR 700m)

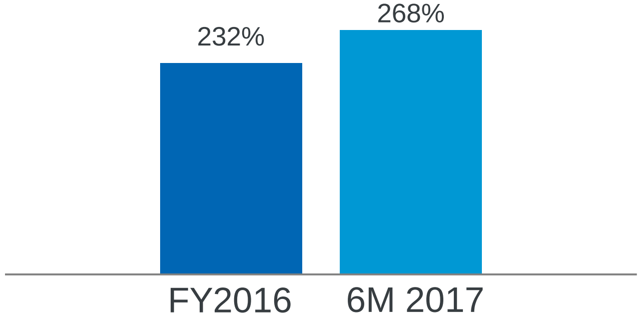
We intend to stick to our continuous and consistent dividend payout policy

Solvency II – CAR of German Life companies materially increased

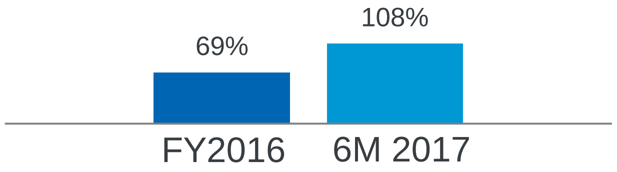
Retail Germany Life



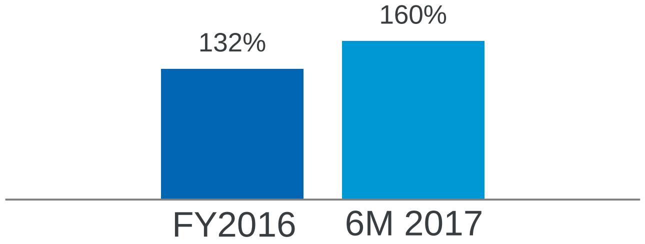
TARGO•VERSICHERUNG
Schutz und Vorsorge



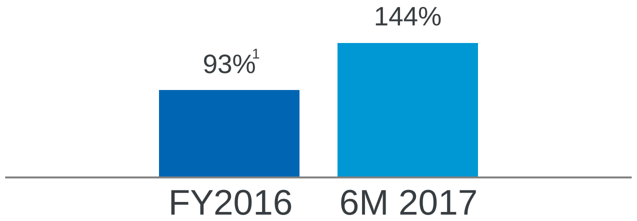
PB Versicherungen
Partner der Postbank



neue leben
Willkommen Zukunft



HDI



1 Not taking into account the binding undertaking entered into by Talanx AG in May 2017 to provide additional regulatory capital in the amount of EUR100m. With this binding undertaking it stands at 103%
2 Basic Own Funds

Management action (de-risked investments, in-force management) in addition to the more favourable interest and spread environment lead to higher BOF[2] and reduce the SCR

Solvency II – Running applications for major material model improvements as per December 2017

Recalibration after validation of solvency capital requirement

Effect OF/SCR

- In the internal models of German Life companies, credit risk, non-financial risks and potential possible uncertainties from the assessment of default assets will be recalibrated after validation
- A process will be installed that regulates possible adjustment of the SCR with regard to the executed recalibration

Change of pension claims and liabilities modelling

Effect OF/SCR

- Pension liabilities have to be treated according to IFRS (IAS 19) as requested by the BaFin. The related Model Change TX69 deals with the change in the Solvency balance sheet (implemented by 31 Dec 2016)
- This major change allows for consistency between the evaluation in the Solvency II balance sheet and consideration within the internal model term. Affected models: Talanx Group, HDI Global and HDI Versicherung

Extension of the partial internal model by the risk category “Operational risk”

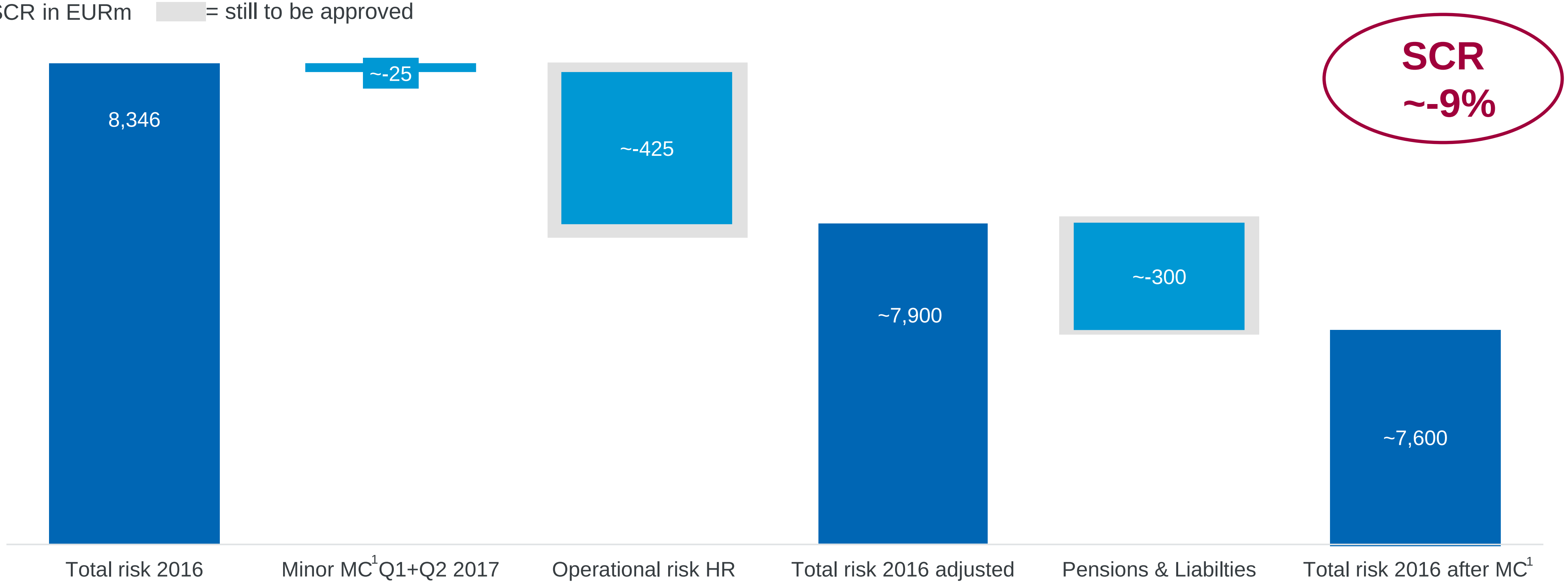
Effect OF/SCR

- Extension of the partial internal model of the HDI Group by the risk category “Operational risk” for application at the HDI Group level – initially only for the Reinsurance Division

Solvency II – Estimated impact of running applications on SCR (still to be approved)

Pro-forma development of SCR after model changes

SCR in EURm = still to be approved



1 MC = Model change

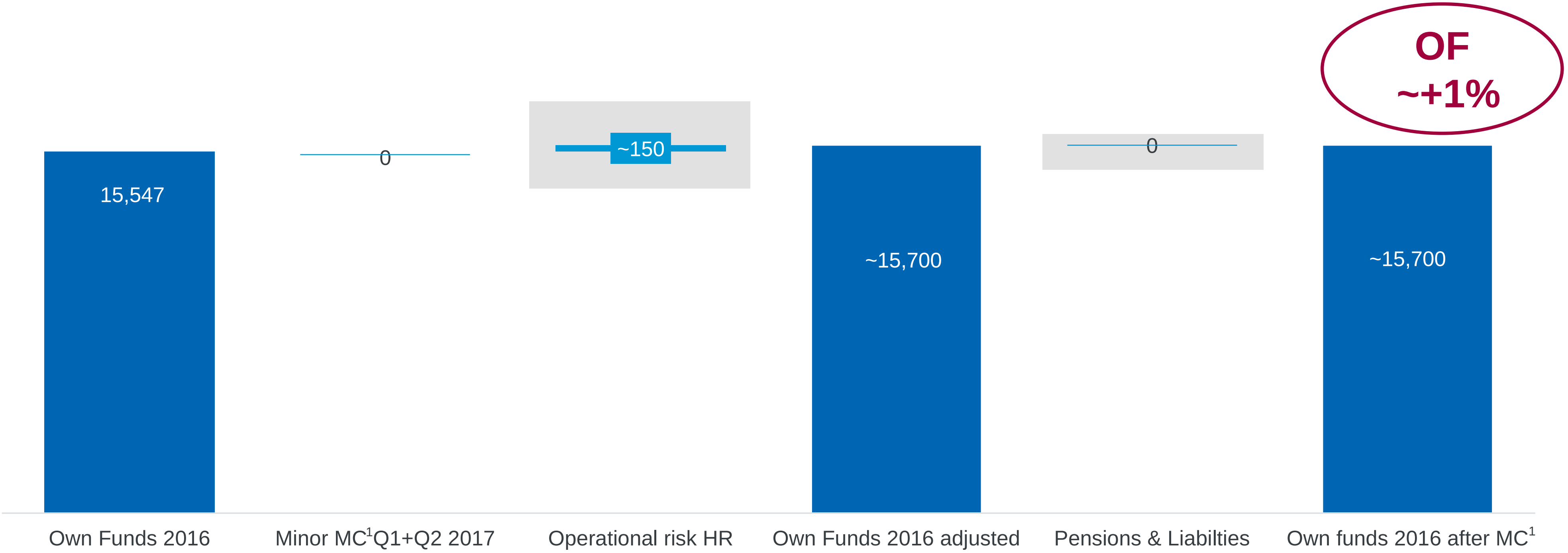
We assume the SCR will shrink by about ~9%

talanx.

Solvency II – Estimated impact of running applications on Own Funds (still to be approved)

Pro-forma development of Own Funds (OF) after model changes

OF in EURm = still to be approved



1 MC = Model change

Potential to improve the SII ratio by around 20%pts mainly via a reduction of required capital

Solvency II – Material model changes targeted in the mid-term

Further extension of the partial internal model by OpRisk

Phase I
(HDI Group & HDI Global)

Phase II
(all remaining solo entities)

Q2/Q3 2018 Preliminary phase

Q1 2019 Application

Q4 2020 Preliminary phase

Q1 2021 Application

2018 | **2019** | **2020** | **2021**

Comments

- After approval at HDI Group level (only for the Reinsurance Division), the next steps will be taken in 2018
- The further extension will be a two-stage process. In the first step, we will apply for the extension of the internal partial model in HDI Group and at the same time in the solo entity "HDI Global SE"
- In the second step, all remaining solo entities will follow

SII ratio with potential upside of ~10%pts – largely via a decline in SCR

Solvency II – The volatility adjuster P/C offers extra buffer

VA P/C[1] already used by a large portion of our peers[2]

1 VA = Volatility adjuster

2 This listing is not exhaustive; as per 31 Dec 2016

Comments

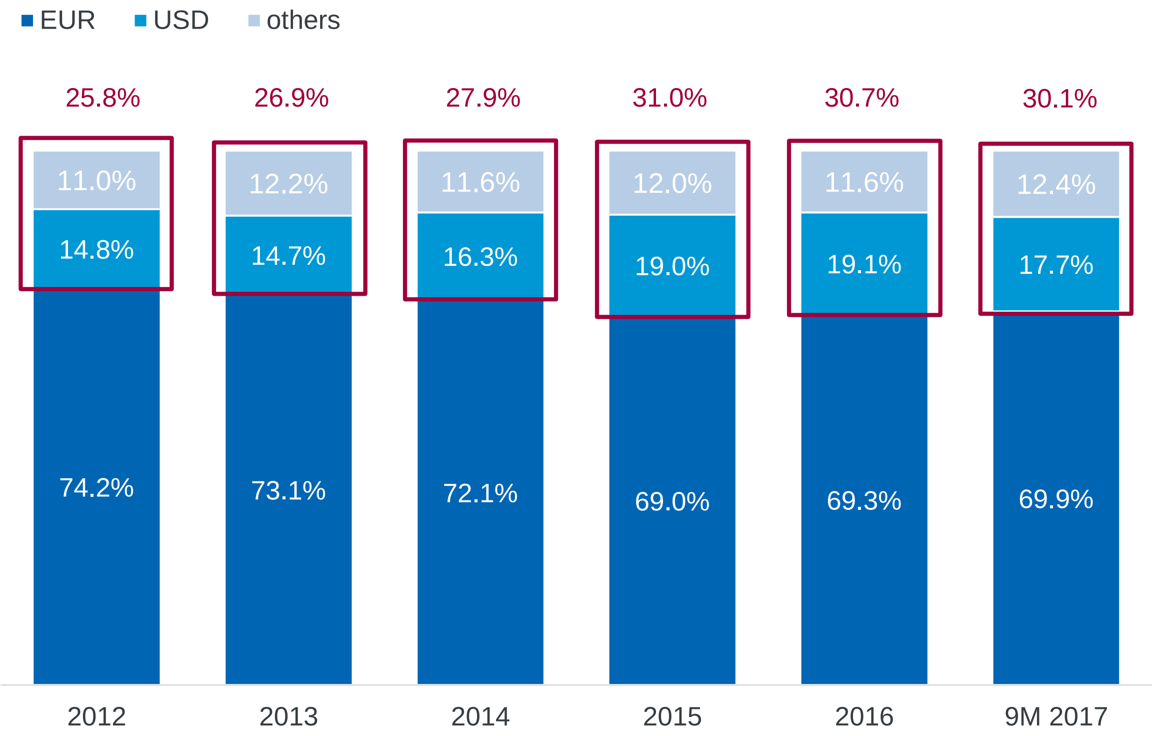
- The volatility adjuster P/C has developed into an industry standard. Talanx has not made use of it to date
- Regarding our already more-than-comfortable SII ratio, we see this additional option as an extra safety cushion
- According to our own assessment – without any regulatory appraisal and with our present knowledge –, the application of the VA P/C would improve the SII ratio by a low-double-digit percentage point figure

The VA P/C to create a low-double-digit percentage point buffer in our SII ratio, beyond the Own Funds uplift, mainly via a reduction of market risk

Investments – Initiatives to withstand the low-interest environment

1 Investment initiatives – Higher share of non-euro assets

Currency split



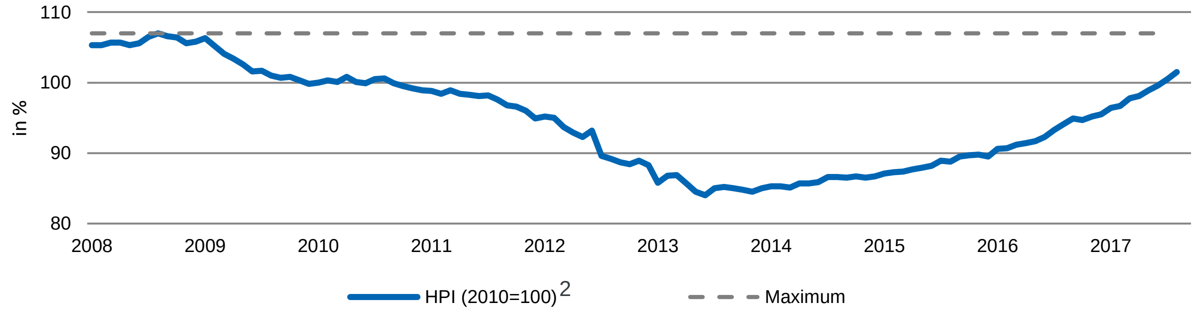
Comments

- Within the last five years, the share of non-euro currencies has risen from one quarter to roughly one third
- As a result of the ongoing internalisation of our business, the share of non-euro investments has risen materially
- The share of non-euro assets rose from 25.8% in 2012 to 30.7% in 2016
- More than half of the non-euro exposure is in USD. The most relevant other currencies are GBP, AUD, CAD and CHF
- The most recent decline in the non-euro share reflects currency effects, in particular the weaker USD

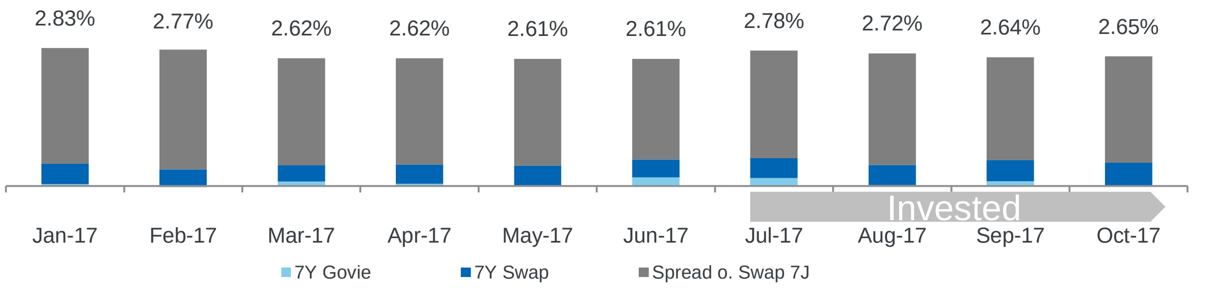
Dependency on euro interest environment has decreased with ongoing internationalisation

2 Investment initiatives – Investing in Dutch residential mortgages

House price development in the Netherlands[1]



Gross yields of the Dutch Residential Mortgage Fund[3]



1 Source: Bloomberg as of June 2017 2 HPI = House Price Index 3 Source: Manager/Bloomberg

Comments

- Talanx Asset Management committed ~EUR1bn to an externally managed Dutch residential mortgage fund
- As of October 2017, a volume of ~EUR 615m (~58%) has been invested with an average running yield of 2.3% (net)
- It is expected that the commitment is fully invested by March/April 2018
- The total mortgage portfolio consists of >50k mortgages (~EUR 200k per mortgage). It is internally rated with AA+
- More than 50% of the mortgages are state-guaranteed by the National Housing Guarantee. The exposure is diversified across all regions of the Netherlands

Highly rated investment opportunity at current yield levels of 2.3% (net after costs for servicing, origination and fee)

3 Investment initiatives – Investing in US municipal bonds

Comparison to Euro Corp. Bonds[1]

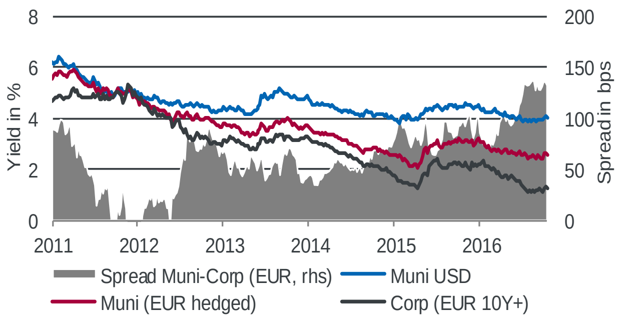
Taxable Municipals

Rating	Duration	Yield $	Yield EUR	LIBOR Spread EUR
AAA	10.9	3.44	2.09	75
AA	13.1	3.80	2.50	104
A	11.9	4.20	2.90	147
BBB	9.2	5.17	3.78	254

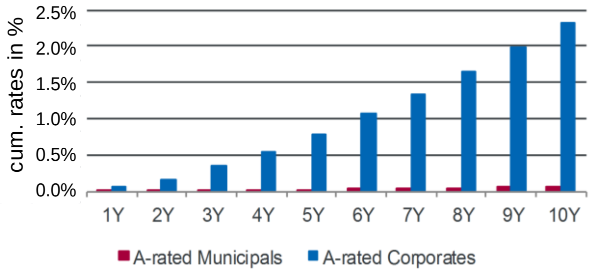
Euro Corporate Bonds

Rating	Duration	Yield $	Yield EUR	LIBOR Spread EUR
AAA	14.7		1.00	-29
AA	14.7		1.34	7
A	15.1		1.58	29
BBB	12.4		2.51	133

A Munis (hedg.) vs. A Corp (EUR)[2]



Cumul. default rates 1970 - 2015[2]



Comments

Reasons to invest in US taxable municipal bonds (hedged into euros):

- Yield pick-up vs. corporate bonds with comparable ratings
- Geographical broadening of the investment universe
- Further issuer and asset class diversification
- Munis offer long duration at high-quality ratings (average muni rating: AA)
- Historically, lower default rates and higher recovery rates compared to similar-rated corporate bonds

But….

- The internal model requires the use of interest rate swaps ($ and EUR IFRS). This leads to a somewhat higher P&L volatility
- The use of FX forwards and interest rate swaps does not eliminate all currency risks. At the same, the volatility of current interest returns becomes higher

1Source: GSAM, Bloomberg, Barclays, BofA Merrill Lynch. indices (all statistics for 10yr+ maturities): BofA Merrill Lynch Broad US Taxable Municipal Securities Index (TXMB Index); Barclays Euro Government Bond 10+ Index. Market data as of 31 July 2017. Currency hedging implemented through the use of (A) FX Fwd – rolling 3 month FX Forward, (B) IRS – Interest Rate Swaps ($ payer + EUR receiver); 2 Sources: S&P, Markit, Bloomberg, own calculations; November 2016

US municipal bonds offer returns well above 2% for A or better-rated portfolios

4 Investment initiatives – Design of and investment in a conservative equity vehicle for Solvency II investors (I)

Equity exposure investment adapted to an insurer's capital requirements

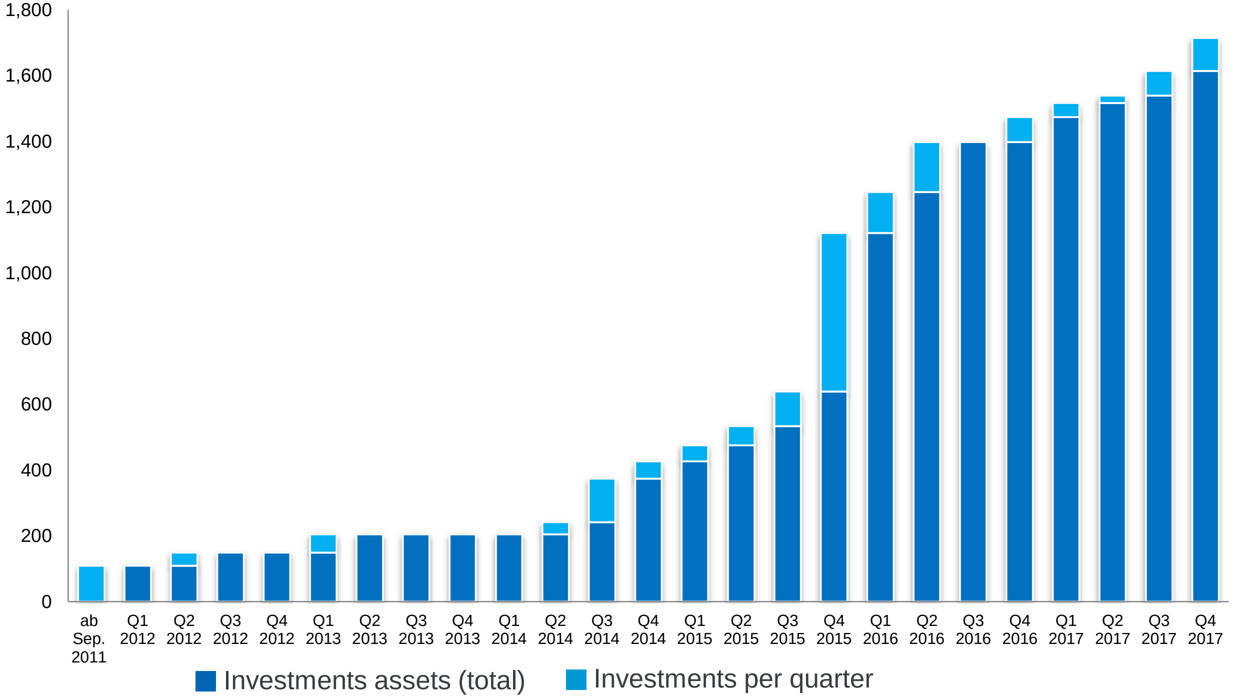
- Talanx Asset Management introduced a new product called "Faktor StrategiePlus"
- It is targeted at a risk-remote way of adding low-correlated equity risk to insurance investors' portfolios (stable returns with low market risks)
- Process:
  - Identification of a conservative equity portfolio based on the broad Euro Stoxx universe
  - Focus on low volatility and other persistent factor premia like value and momentum with strong empirical evidence (quantitative selection process)
  - Systematic hedging of market risk in order to achieve pure factor premia exposure (not market risk)
  - Additionally „wrapped" into a dynamic risk control framework
- Talanx itself invests in this strategy and also offers it to other insurers & to private investors (ISIN: DE000A12BRS4 / ISIN: DE000A12BRT2)

- Solvency II:
  - Efficient harvesting of own funds and thus attractive target return on SCR
  - Even for insurance companies that apply the standard formula, SCR can be reduced from 39% (Tier I equity) to ~ 20% (hedging efficiency assumed)

Success formula: investment in conservative equities + systematic hedging of market risk = attractive investment in a low interest rate environment with a target yield of 2.5%-3% p.a. net of costs (YTD ~6%)

5 Investment initiatives – Expansion of infrastructure investments (I)

How Talanx's infrastructure portfolio develops, in EURm



Comments

- Talanx started to invest in infrastructure in September 2011
- Considerable growth in Q4 2015 due to "Gode Wind 1"
- In the last 12 months, the infrastructure portfolio grew about EUR 315m
- It has a cumulative volume of EUR 1.7bn. Talanx aims to achieve a total volume of EUR 2.0bn by the end of the year. Our target of EUR 1.7bn by YE2017, which we communica-ted at our CMD 2015, has already been exceeded ✓
- Our long-term target volume is up to 5% of invested assets

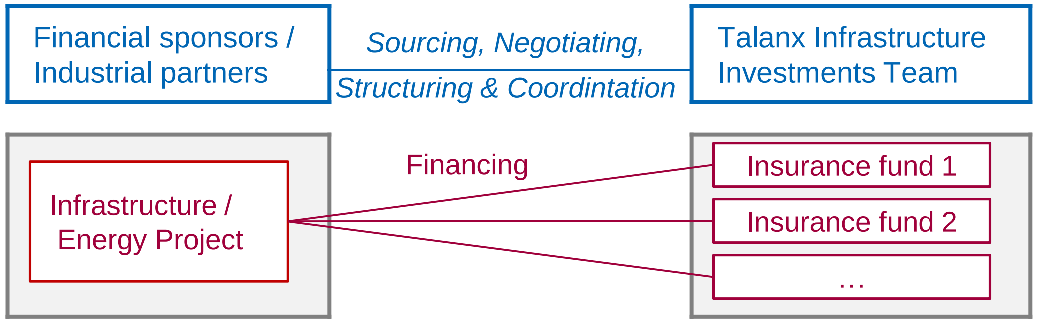
Infrastructure steadily gains in importance

5 Investment initiatives – Expansion of infrastructure investments (II)

Investment Selection Challenge…

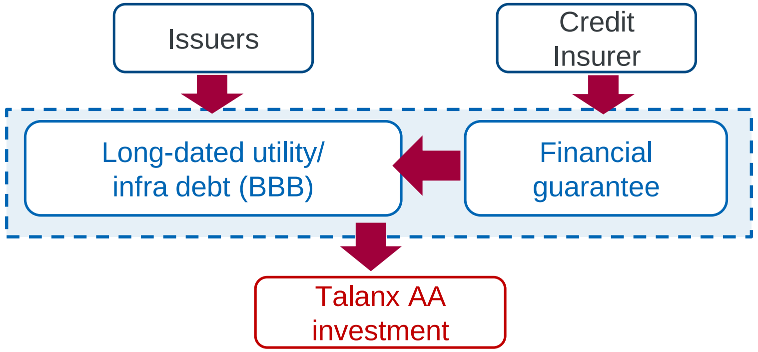
- Abundance of market liquidity does not only lead to return compression, but also to weaker documentation standards
- Avoidance of moral hazard issues with banks
- **Quality before quantity:** Talanx emphasises a prudent approach, e.g. avoid excessive outcomes observed in auctions for highly visible “trophy assets”
- **Selective project picking:** Targeting less competitive markets, found partnerships (e.g. bilateral/secondary transactions)
- **Active opportunity generation:** Initiatives to outperform average market risk-return

I. Self-arrange opportunities (e.g. Gode Wind I)



Transactions structured to suit Talanx’s risk, return and regulatory requirements

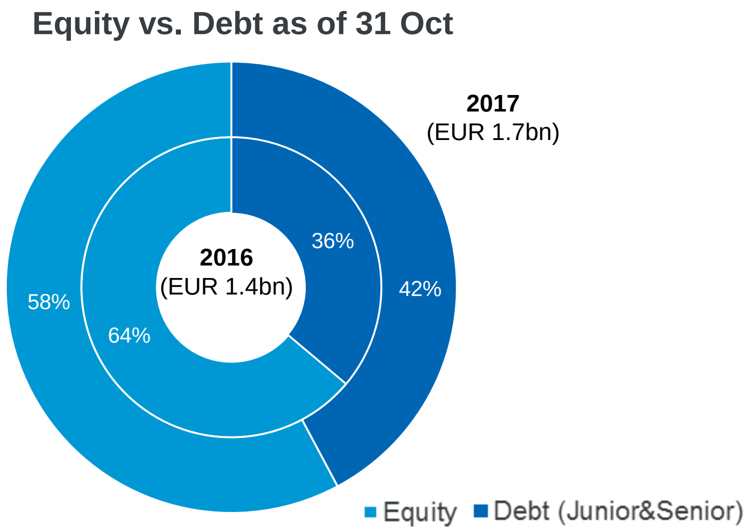
II. Structure de-risking solutions (e.g. credit insurance)



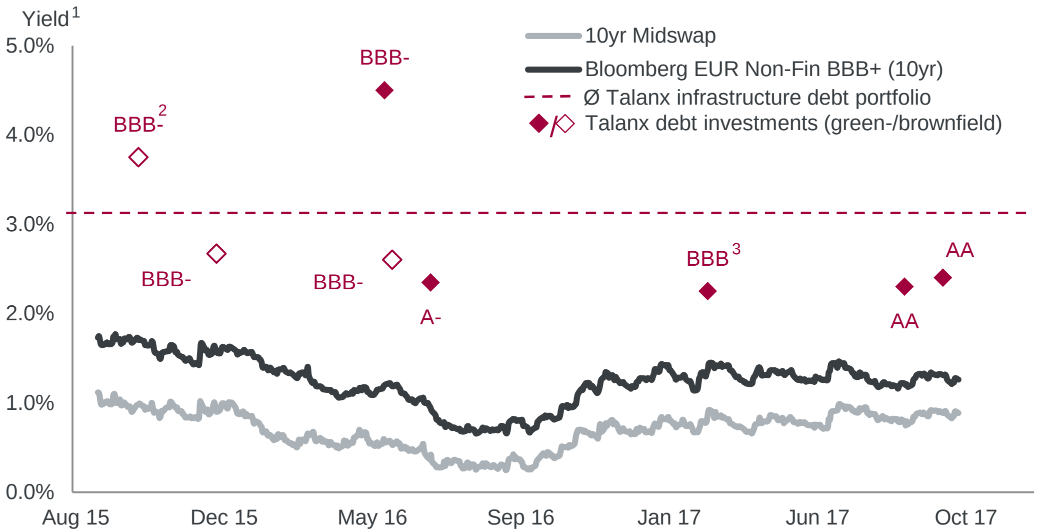
Utilise credit insurance where de-risking, diversification and regulatory capital relief justify the insurance premium

5 Investment initiatives – Expansion of infrastructure investments (III)

Balancing the portfolio…



… and leveraging the debt platform



1 Does not include upfront/commitment fees earned or benefits from FRN investments
2 Upgraded to BBB post construction; 3 FRN investment with floor coupon at indicated level

- 2017 YTD new investments were opportunistic across both debt and equity
- However, focus has been on balancing the portfolio, e.g. by strengthening the debt capabilities, diversification into new geographies like Italy, Finland, Norway or Switzerland and consolidation of the onshore wind equity portfolio

- Current infrastructure debt commitments amount to c. EUR 725m (= 42%) with roughly 10yr weighted average life at strong BBB+ average rating (post construction ratings upside on greenfield projects)
- Running portfolio coupon income of ~3.1%, equivalent to MS+220bps area credit spread and +125 – 175bps premium over tenor/ratings equivalent liquid corporate bond indices
- Private debt returns vary significantly by country, rating, green-/brownfield, tenor and sector

6 Investment initiatives – Successfully investing in sustainability (I)

Power generation p.a. in 2015: ~ 560 GWh

- At our CMD 2015, we reported that we would be able to supply a city like Kiel which has about 250k inhabitants[3]
- At that time, we had six wind parks with a capacity of ~ 220 MW

Power generation p.a. in 2017: ~1,700 GWh[1]

- To date, we have tripled our production via renewable energies and would be able to provide energy for a city like Frankfurt with ~ 730k inhabitants[3]
- The current capacity amounts to ~ 575 MW

1 ~ 575 MW; thereof equity: ~400 MW / debt: ~175 MW

2 Compare E&M poll per year-end 2016

3 Only private households

With current wind capacity of about 575 MW, Talanx joins the ranks of big energy suppliers[2]

6 Investment initiatives – Successfully investing in sustainability (II)

Talanx's Sustainability Strategy

Objective: To set up Group-wide ESG screening of investments
(ESG = Environmental, Social, Governance)

Responsible Investment Committee (RIC)

- Approves filter criteria
- Adapts Talanx's investment guidelines
- Decides how to handle non-compliant investments

ESG screening

Quarterly examination of investments for **compliance with sustainability criteria** (UN Global Compact, Controversial Weapons), e.g.:

- respect for human rights and labour standards,
- environmental protection and anti-corruption, …

Check on a **case-by-case basis**. No exclusion of specific sectors in principle

Screening conducted by SUSTAINALYTICS

Talanx's investment guidelines

Rules already established for

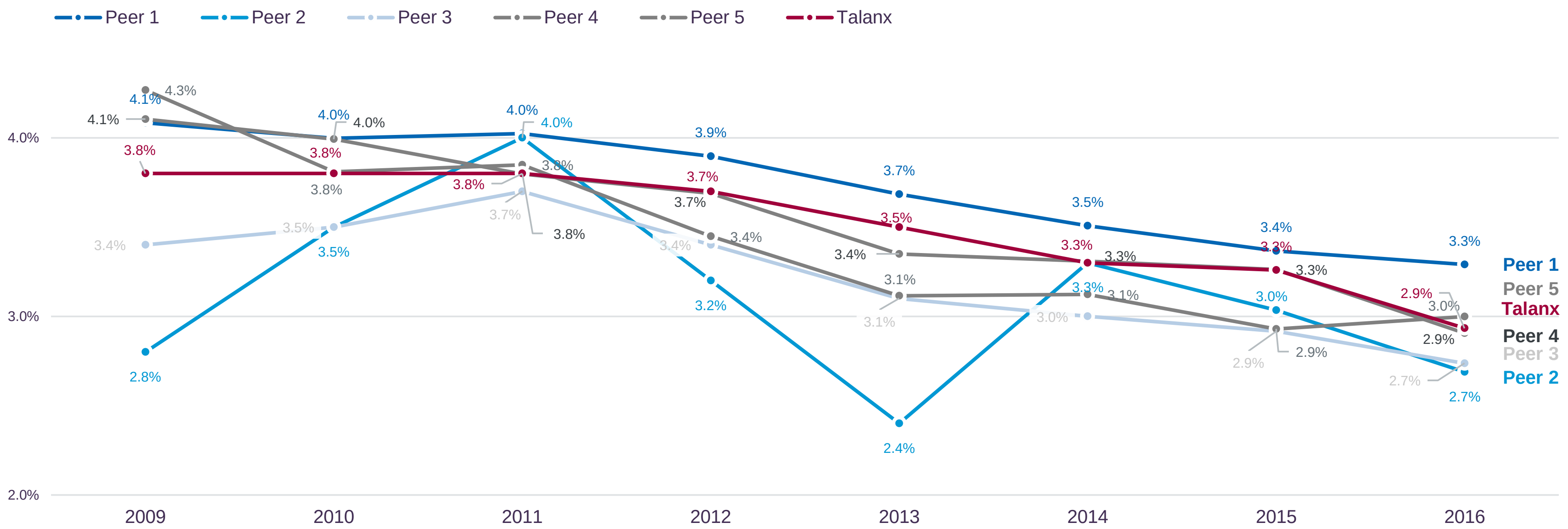
- **direct investments** (e.g. no investments in manufacturers of cluster munitions)
- **negative screening criteria** for alternative asset classes (e.g. infrastructure investments and real estate) and real estate investments

FTSE4Good

Since the beginning of the year, 90% of investments have been screened. Elimination of "non-suitable" investments by the end of 2017

Investments – Talanx's RoI compared to peers

Development of ordinary RoI (without realised gains/losses and changes in OCI)



2009	2010	2011	2012	2013	2014	2015	2016
Ø p.a. 3.7% TX Δpts +0.1	Ø p.a. 3.8% TX Δpts ±0.0	Ø p.a. 3.9% TX Δpts -0.1	Ø p.a. 3.6% TX Δpts +0.1	Ø p.a. 3.2% TX Δpts +0.3	Ø p.a. 3.3% TX Δpts ±0.0	Ø p.a. 3.1% TX Δpts +0.2	Ø p.a. 2.9% TX Δpts ±0.0

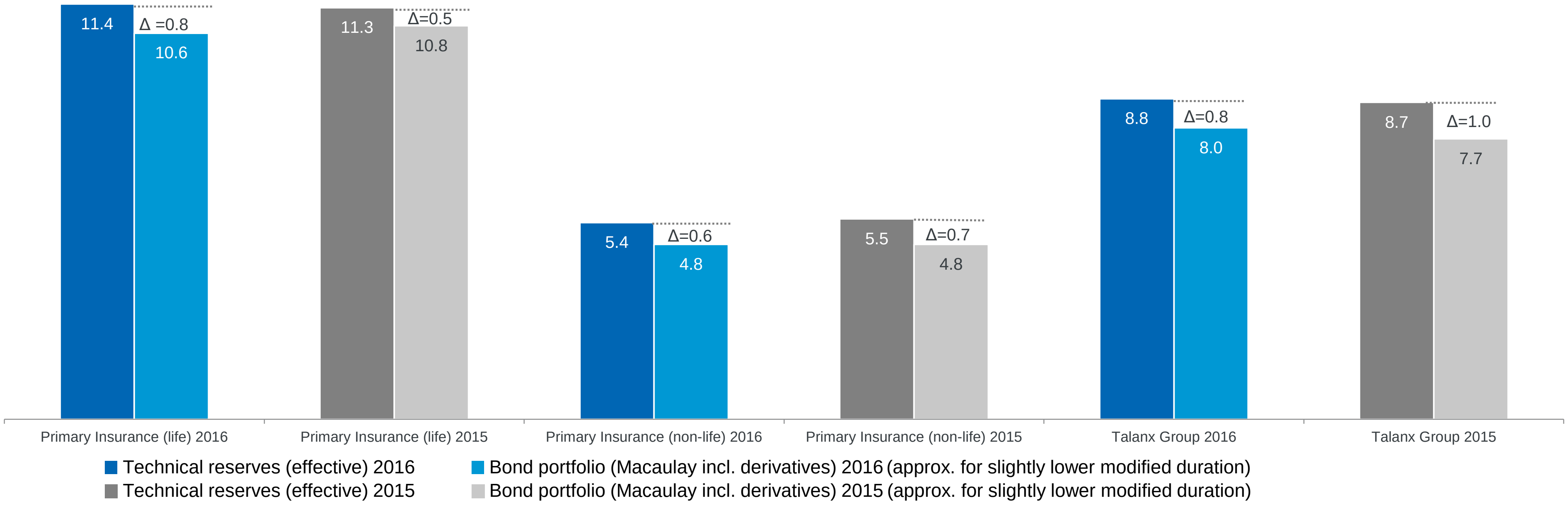
	μ / σ
Peer 1	3.73 / 0.31 = 12.0
Peer 5	3.44 / 0.49 = 7.0
Talanx	3.51 / 0.32 = 11.0
Peer 4	3.55 / 0.41 = 8.7
Peer 3	3.22 / 0.33 = 9.8
Peer 2	3.12 / 0.50 = 6.2

Source: Annual Reports. Peers comprise Allianz, Axa, Generali, Munich Re and Zurich

Compared to peers, Talanx's RoI continuously ranks in the upper mid-range with below-average volatility

Investments – Status quo: Duration concepts

Durations of technical reserves and bond portfolio, 2016 and 2015



Note: Effective duration is based on the concept of modified duration, i.e. indicates a relative change in portfolio/asset values in terms of interest rate changes. It additionally takes embedded options and guarantees into account. It recognises that surplus funds and taxes act as a buffer that mitigates some of potential negative effects from interest rate declines. Bond portfolio is taken as representative of the asset portfolio

Duration gaps have somewhat narrowed

Technical accounting topics – Expensive challenges

IFRS 9

- Talanx opted for deferral option and deferred IFRS 9 to the starting point of IFRS 17 in order to raise the share of market price-valued assets and liabilities at the same point in time (deferral approach)
- From 2018 on, a deferring company has to fulfil expanded disclosure requirements regarding financial instruments. Therefore, Talanx set up an IFRS 9-light project

IFRS 17

- Both IFRS 17 and IFRS 9 will be introduced simultaneously at the beginning of 2021
- To achieve perception and clarity of its impacts, an “Impact Assessment” has been scheduled for the 2nd quarter of 2019 and 2020
- In 2019, this will be a rather approximate process. For 2020, the assessment will be in conjunction with the first dry run

SAP Insurance Analyser

- Based on a 2016 study, Talanx has decided to implement the SAP Insurance Analyser (IA)
- SAP IA will serve as the central sub-ledger for insurance accounting
- A multi-GAAP strategy is targeted so the IA will cover requirements not only for IFRS 17 but also for HGB and local GAAP
- As a central solution, it will be connected to a considerably high number of source systems

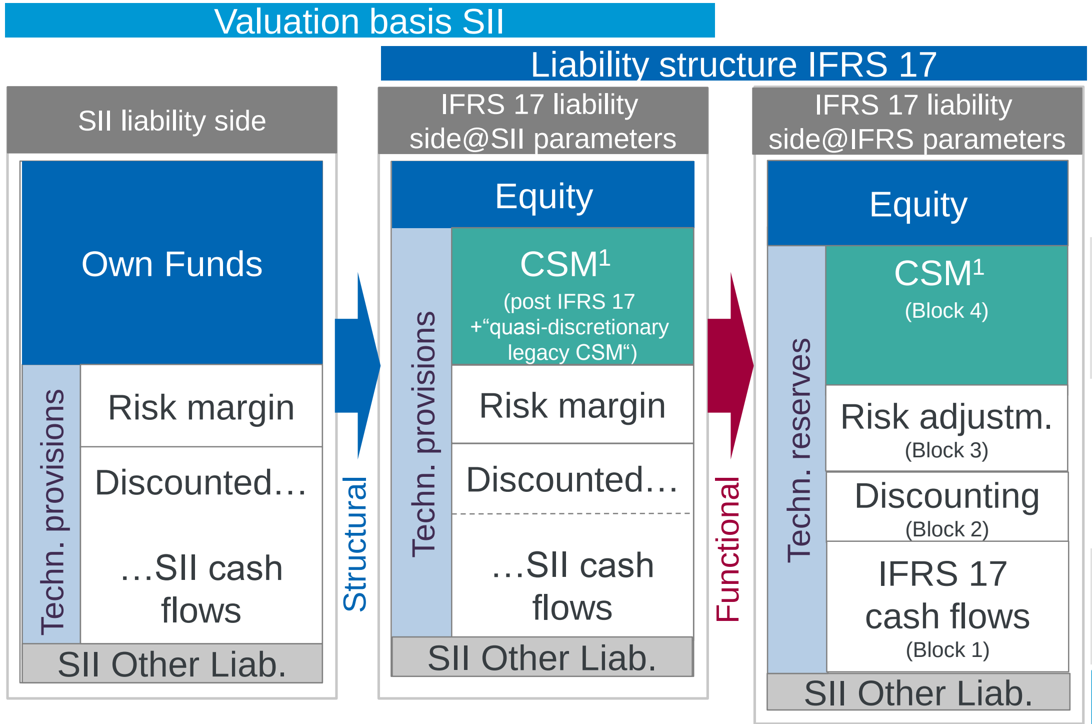
Costs[2] of

> EUR 65m

1 These regulations apply to financial years that begin after 31 December 2016

2 For Talanx Primary Group, incl. general policy and IFRS 9-related costs for HR; roughly 2/3 of SII implementing costs

Technical accounting topics – IFRS 17 – SII differences



List of essential functional differences

- Deferral of unearned profit takes place in a complex way
- Grouping/"cohorting" of contracts
- CSM[1] from transition

- No prescribed methodology
- Group-wide rather than just entity-specific diversification possible

- Theoretical differences, adoption of EIOPA SII yield curve in discussion

- Different scope of cash flows; use of IFRS17-modified SII model under fast-close conditions
- Separate presentation of investment components

- Further differences may arise on asset side from contemporaneous introduction of IFRS 9 to the extent valuation at "amortised costs" is used and from valuation of reinsurance contracts held
- Principle-based transition requirements need transformation into concrete implementation

Note: simplified presentation; size of boxes is not representative 1 Contractual service margin

The need for early clarification of individual issues may conflict with emerging industry opinions. Talanx Group targets at being able to provide more information until end-2018

Technical accounting topics – IFRS 17: Top challenges

1 Breakdown of insurance contract inventory

The breakdown of our insurance contract inventory into "portfolios“, “annual cohorts” and so-called "CSM[1] groups" goes beyond the split under SII

2 Stochastic calculations for life business under fast-close conditions (incl. CSM)

Although our stochastic calculations under SII can be re-used to a large extent, they need to meet extremely shorter deadlines and allow for the new component “CSM”

3 IT implementation in various (source) systems

Many IT (source) systems have to be adjusted to allow for IFRS 17 accounting. This is likely to trigger parallel changes in our IT landscape

4 Approach for and execution of transition (and interaction with IFRS 9)

Although the "full retrospective approach" on transition (from IFRS 4 to IFRS 17) can be simplified, the definition of an IFRS 17-compliant approach as well as its execution will be extremely elaborate and must consider the interaction with IFRS 9

5 Differences to SII valuation (esp. CSM, yield curves, risk adjustment, investment component etc.)

Although the general measurement model under IFRS 17 has similarities with SII (in 3 out of 4 so-called "blocks"), the devil lies in the detail so the need for double calculations (same models with different parameterisation) is expected to be unavoidable

6 Communication of the change from IFRS 4 to IFRS 17 to stakeholders

From the moment of its fundamental change in accounting of insurance contracts, the transition from IFRS 4 to IFRS 17 needs to be communicated appropriately to external stakeholders

1 Contractual service margin

Technical accounting topics – Change of auditor

Transition Timeline – Key Milestones

Phase I
Transition readiness

Phase II
Transition deep dive

Phase III
Transition completion

PwC execution
of 2018 audit

Apr – Aug 2017 → **Sep – Dec 2017** → **Jan – Mar 2018** → **Apr 2018**

Comments

- Following the mandatory audit firm rotation introduced by the EU audit legislation with effect from 17 June 2016 (mandatory as of 2020), Talanx's Supervisory Board proposed to appoint PwC early as the successor to KPMG
- To develop an understanding of key business processes, regular jour fixes take place with the current auditor. Common discussion of 6M financials ("Shadowing KPMG")
- Furthermore, PwC set up an office structure in Cologne, and key locations are visited on site
- In April 2018, PwC will start the review activities for Q1 2018

The transition process is well on track and will be finalised in March 2018

Key Messages

- Strong SII capitalisation with additional upside from model improvements
- Significant increase in capital ratios of our German Life carriers
- Promising initiatives to withstand the low interest environment: diversification, infrastructure, insurance-adapted equity exposure, asset allocation
- 2017 investment target in infrastructure has already been reached – long-term upside to ~5% of invested assets
- Implementation of new accounting standards will cost >EUR 65m by 2021 – all programmes on track

Agenda

I	Group Strategy	Herbert K. Haas
II	Group Financials	Dr. Immo Querner
III	Retail International	Torsten Leue
IV	Industrial Lines	Dr. Christian Hinsch
V	Retail Germany	Dr. Jan Wicke
VI	Final Remarks	Herbert K. Haas

Status update

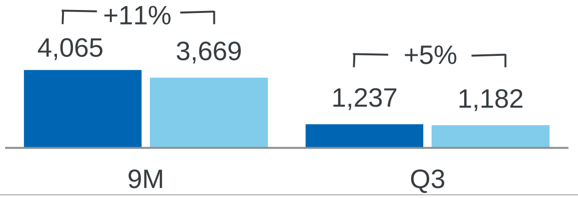
Promise	Delivery
Gross premium growth (p.a.)[1,2] ≥ 10%	✓ 16% (CAGR 2012-16)
Combined ratio ~ 96%[3]	✓ 96.2% (2012-16 average)
Warta EBIT to reach ≥ EUR 100m by 2017	✓ Warta on track: 9M 2017 EBIT[4]: EUR 75m
Self-financed organic growth by 2014	✓ Positive net cash transfer to Group – cumulative 2014-2016: +EUR 131m[5]
Focused and profitable growth	✓ EBIT growth 3 times higher than premium growth (2010-2016)
Disciplined M&A approach	✓ Successful integration of major acquisitions Warta and Magallanes

1 Organic growth only, currency-adjusted 2 Growth targets in the Group's mid-term target matrix are based on 2012 results
3 Combined ratio target for Talanx's Primary Insurance incl. net interest income on funds withheld and contract deposits
4 Note that FY2017 EBIT has been impacted by Polish asset tax. In 9M 2017, this effect was EUR -8.5m 5 Excluding cash-out for acquisitions
Note: Targets are subject to no large losses exceeding budget (cat), no turbulences on capital markets (capital) and no material currency fluctuations (currency)

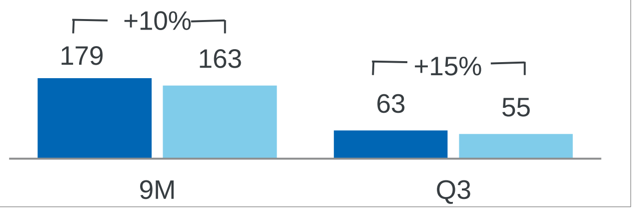
Promised – delivered!

9M 2017 results

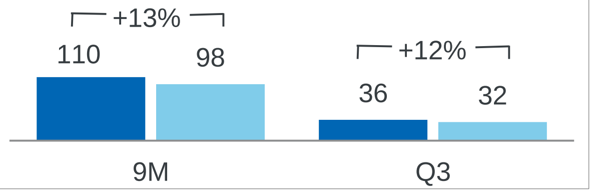
GWP



Operating result (EBIT)



Group net income



Retention rate in %

	2017	2016
9M	91.4	91.0
Q3	92.6	92.3

Combined ratio in %

	2017	2016
9M	95.9	97.0
Q3	94.9	98.0

RoE (ann.) in %

	2017	2016
9M	7.0	6.3
Q3	6.8	6.0

- 9M 2017 GWP up by +10.8%, slightly supported by currency tailwind, in Brazil and - to a minor extent - in Chile and Poland. Currency headwind in Turkey and Mexico (9M 2017 GWP curr.- adj.:+9.3%)
- All core markets with underlying y/y growth in 9M 2017 and Q3 2017. Segment GWP in Q3 2017 up by +4.6% (curr.adj.: +5.2%). Hardening of Motor market in Poland continues, supporting strong GWP growth in P/C (9M 2017: +16.4%; curr. adj. 14.5%)

- 9M 2017 combined ratio improved by 1.1%pts y/y. Higher loss ratio overcompensated by 2.2%pts lower cost ratio, resulting from e.g. optimisation measures in Brazil („GoDigital") and Poland, and from scale effects in Mexico
- 9M 2017 EBIT up by +9.9% y/y (Q3 2017: +14.6%), pre-dominantly driven by strong improvement in Poland and Mexico; EBIT growth momentum has increased in Q3 2017

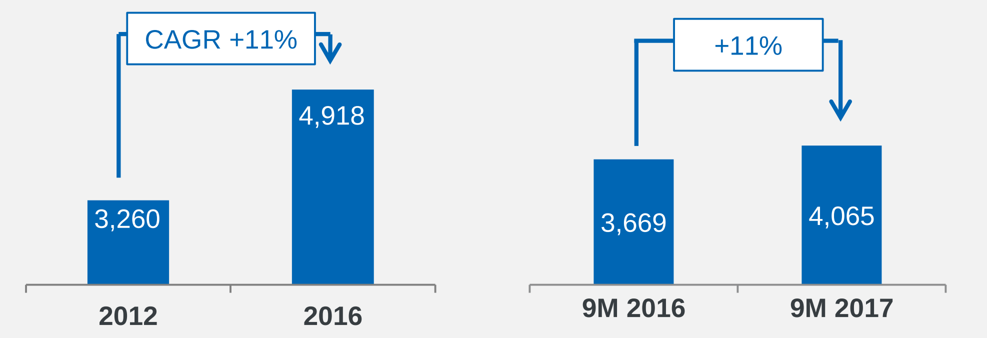
- Positive contribution from newly consolidated CBA Vita. In sum, the consolidation of CBA Vita and deconsolidation of OpenLife with a net positive EURm effect (EBIT level)
- Group net income benefits both from the improved operating result and from the slightly lower tax rate

EURm, IFRS ■ **2017** ■ **2016**

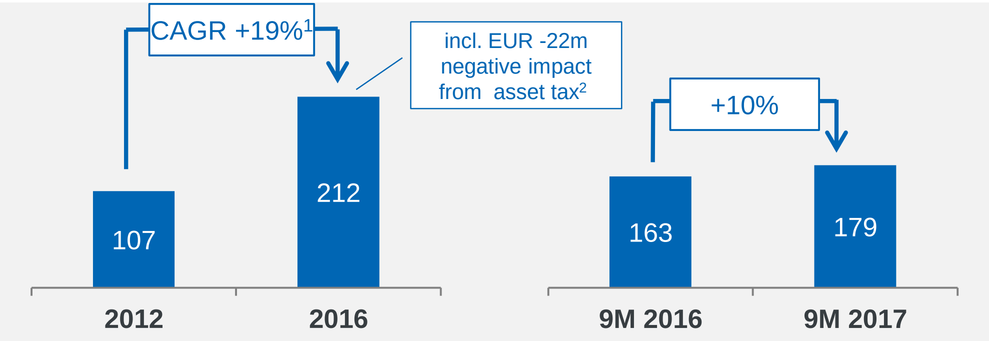
Strong top-line growth in P/C accompanied by a significant improvement in profitability

Retail International – Key segmental data

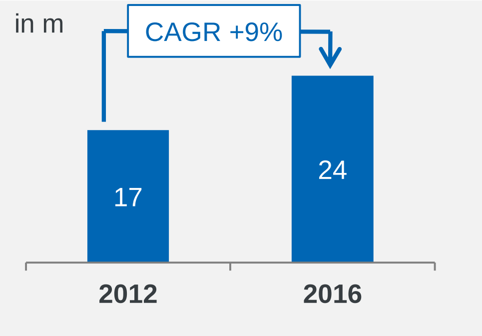
GWP development (in EURm)



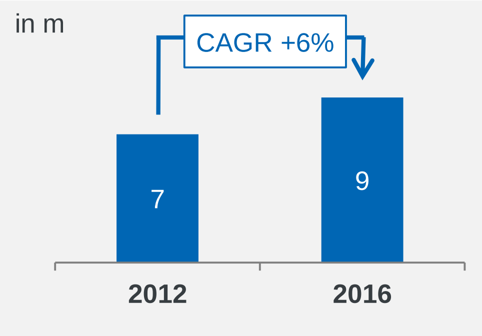
EBIT development (in EURm)



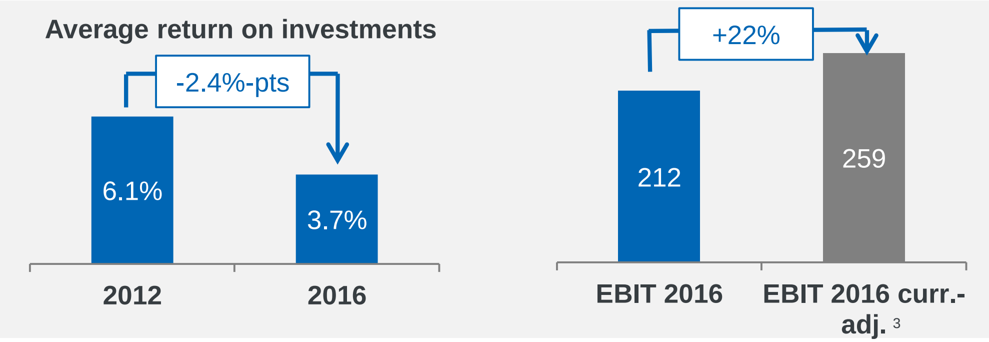
No. of total contracts



No. of insured vehicles



Impact from interest and currency



1 CAGR (2012-16): 22% p.a., if adjusted for asset tax

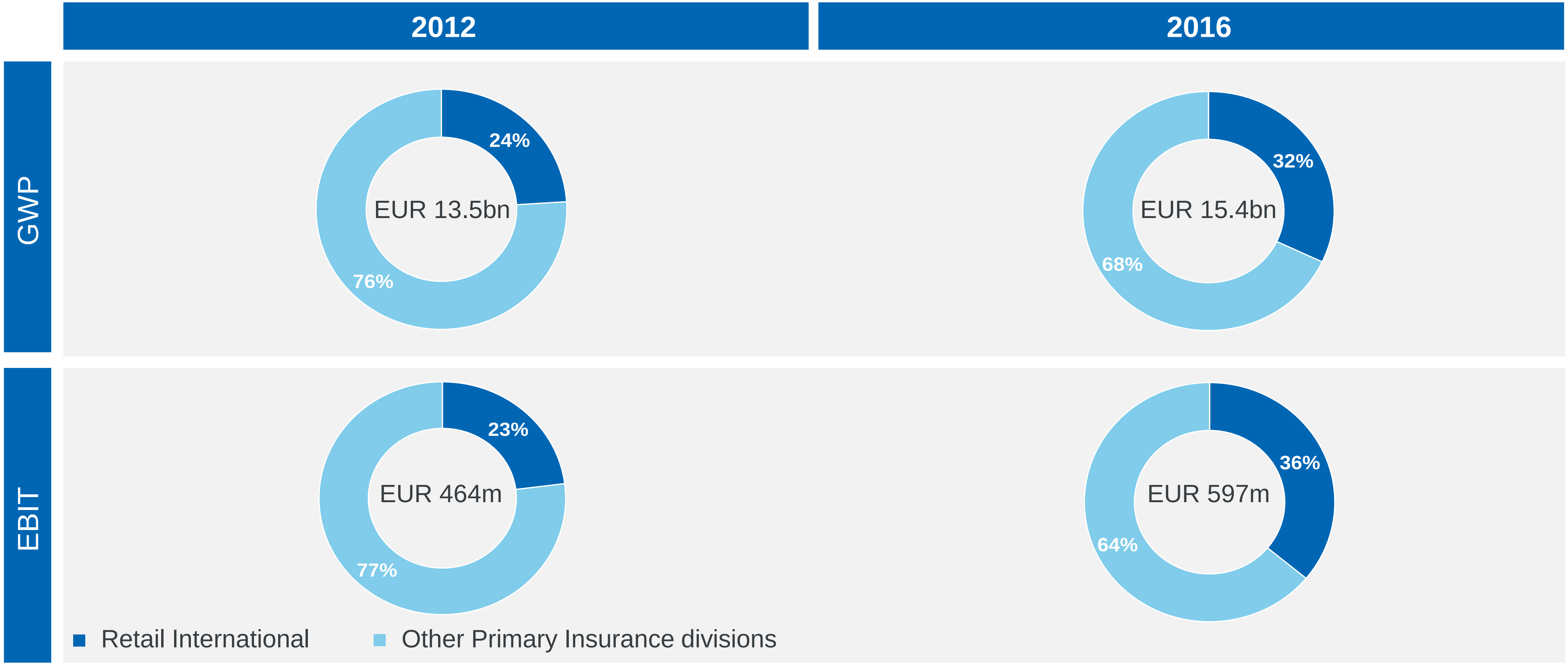
2 Asset tax allocated to EBIT; impact from asset tax on FY2016 net income was EUR -13m

3 2016 EBIT with 2012 exchange rates

Retail International with strong profitable growth – business model has proven to be very robust

talanx.

Contribution to Talanx Primary Insurance[1] figures



1 Talanx Primary Insurance contains all consolidated Primary Insurance entities in the Group segments Industrial Lines, Retail Germany Life, Retail Germany P/C and Retail International

Retail International of growing relevance to Talanx Primary Insurance

Retail International's strategy

tiGROW[1]

Focus on selected growth markets

1. Resources focused on target regions LatAm/CEE[2]
2. Core markets in target regions Brazil, Mexico, Chile, Poland and Turkey
3. Among top 5 in core markets
4. Disciplined organic and inorganic growth, with focus on profitability
5. Digital Leadership

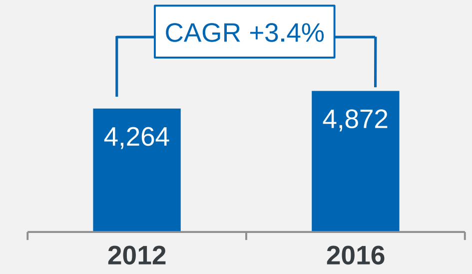
1 tiGROW: Talanx International Growth

2 Latin America (LatAm) only P/C, Central and Eastern Europe (CEE) total market (P/C and Life)

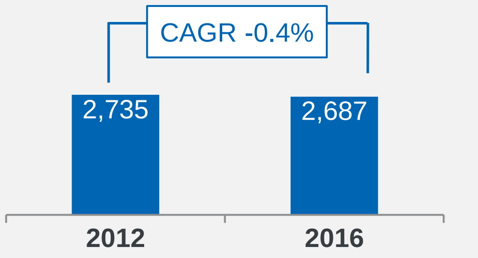
1 Resources focused on target regions LatAm/CEE – Market environment in target regions LatAm and CEE

GDP development[1] (in EUR bn)

LatAm

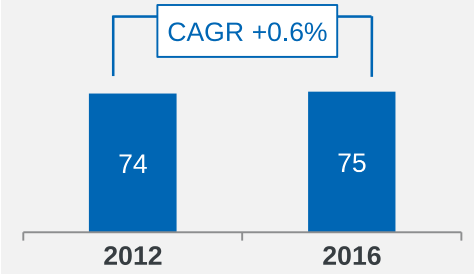


CEE

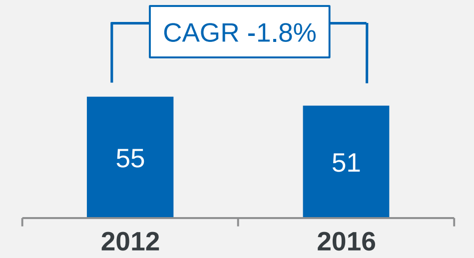


GWP development[1] (in EUR bn)

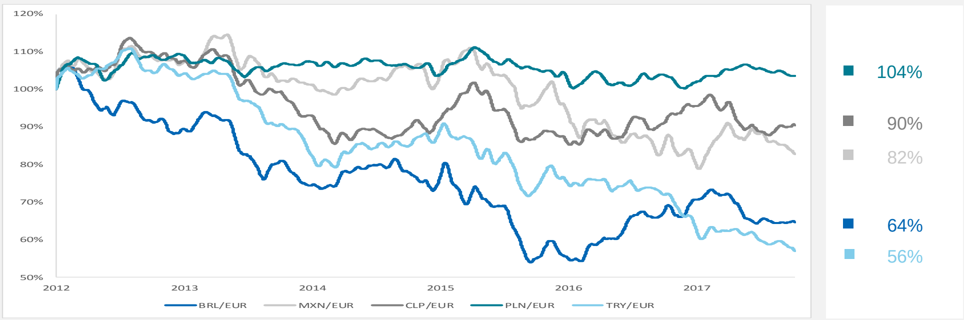
LatAm P/C



CEE

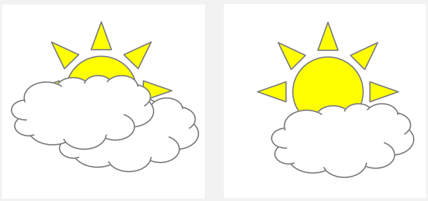


Currency development[2]



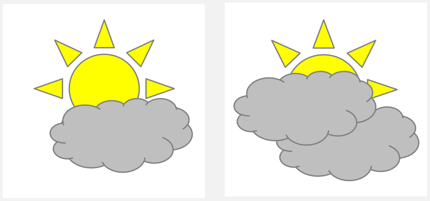
Business environment

LatAm



Today Tomorrow

CEE



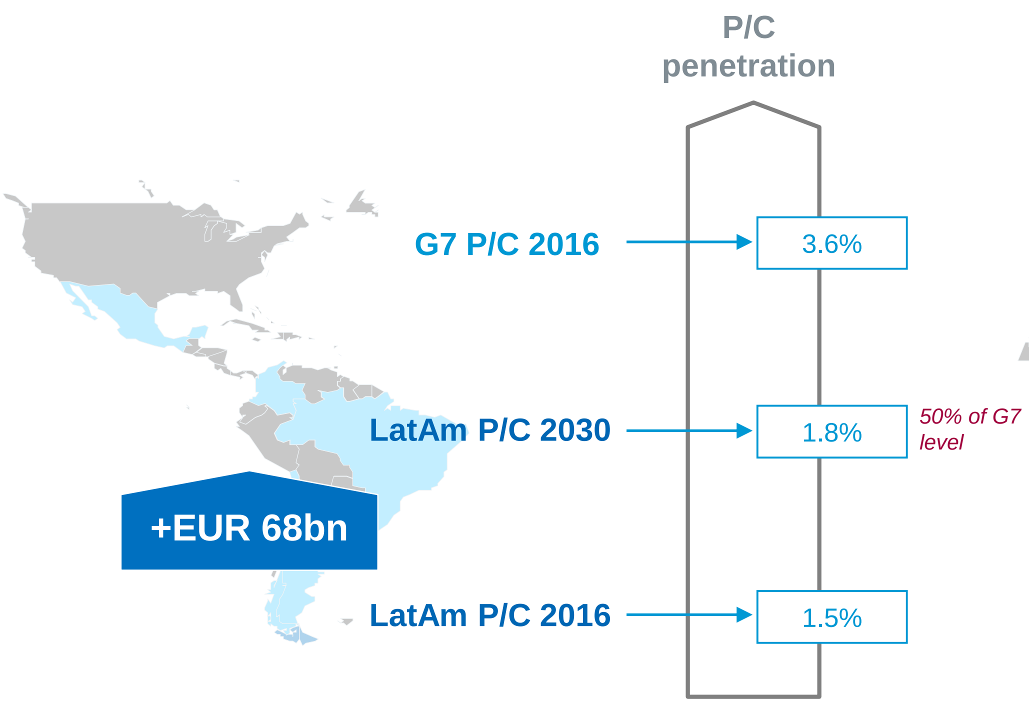
Today Tomorrow

1 Source: Swiss Re Sigma report 3/2013; Sigma report 3/2017
2 Source: Nasdaq/OMX

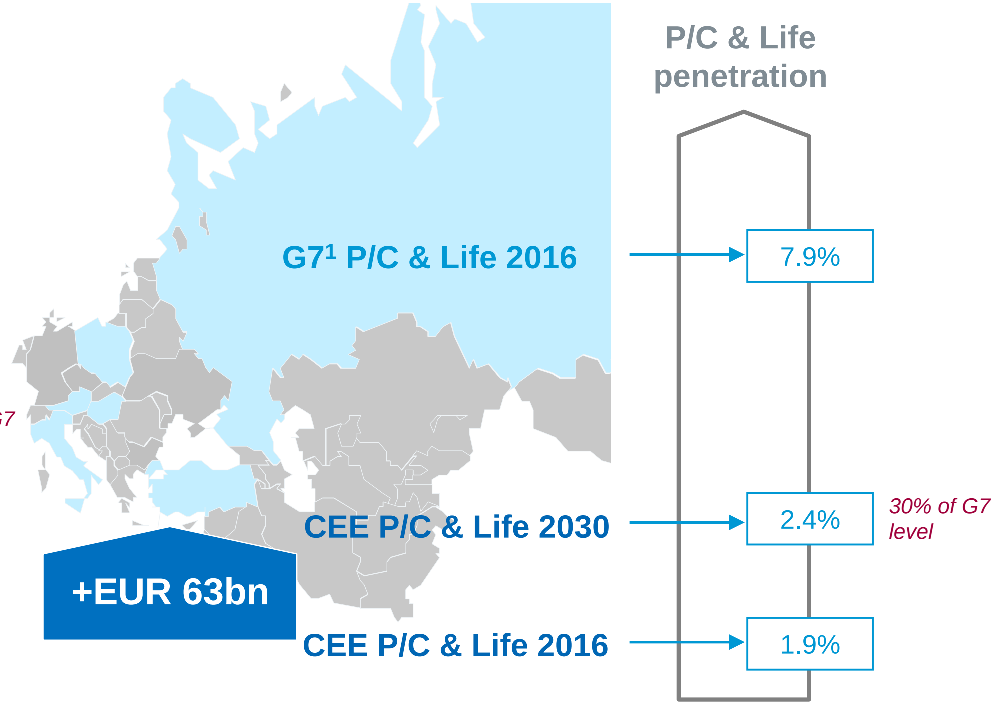
GWP growth rate has lagged GDP development since 2012 in challenging market environment

1 Resources focused on target regions LatAm/CEE – Growth potential in LatAm and CEE until 2030

LatAm: GWP growth potential in P/C



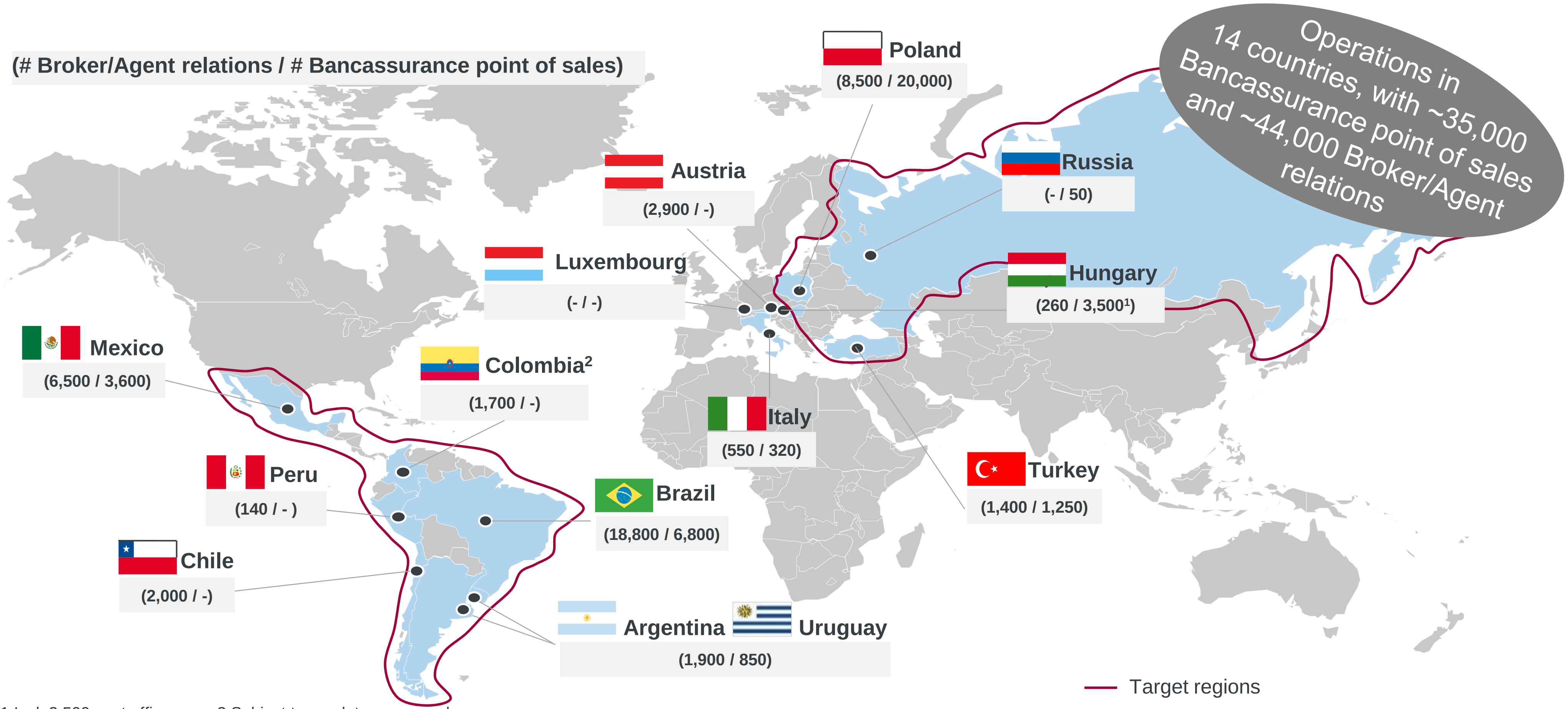
CEE: GWP growth potential in P/C and Life



Source: International Monetary Fund (IMF): Data Base World Economy April.2017, SwissRe Sigma report 3/2017
Assumptions: GDP growth rates 2016-22 based on IMF forecast; 2023-30 calculated with constant growth rates based on 2022 level. 2030 GWP volume for LatAm derived by assuming a 50%pts insurance penetration (P/C only) of the G7 states' level (for CEE [P/C & Life] 30%pts of penetration rate of G7 states' level); G7 states consist of Germany, Italy, France, Japan, Canada, UK and USA

~EUR 130bn GWP growth potential – even assuming a still moderate increase in insurance penetration levels

1 Resources focused on target regions LatAM/CEE – Retail International - International presence



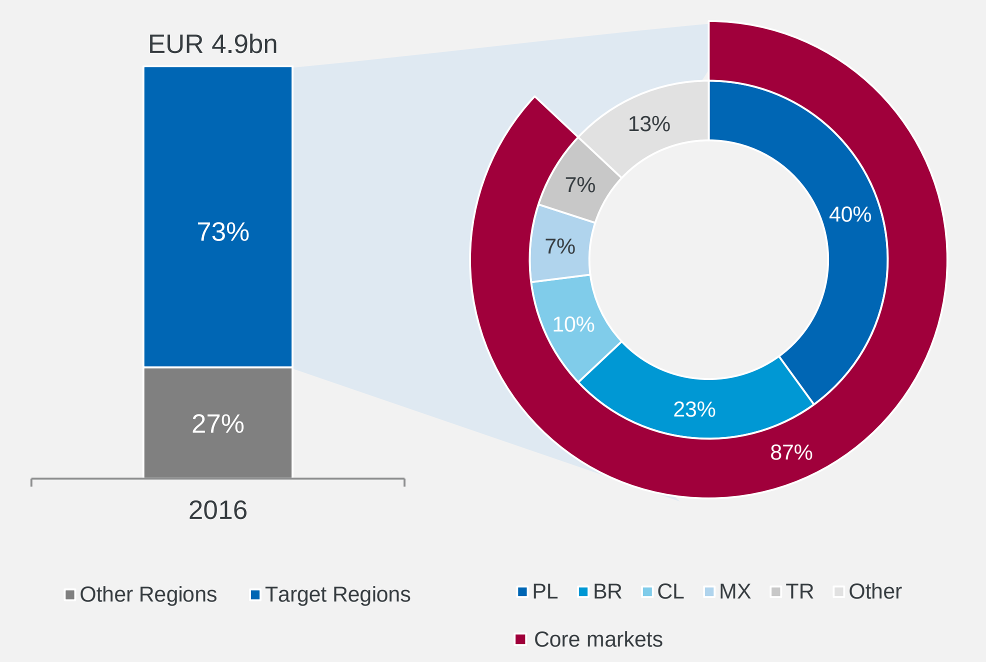
1 Incl. 2,500 post offices 2 Subject to regulatory approval

Retail International benefits from strong distribution network in 14 countries

talanx.

2 Core markets in target regions: Brazil, Mexico, Chile, Poland and Turkey – Retail International Portfolio – Focus on Core markets

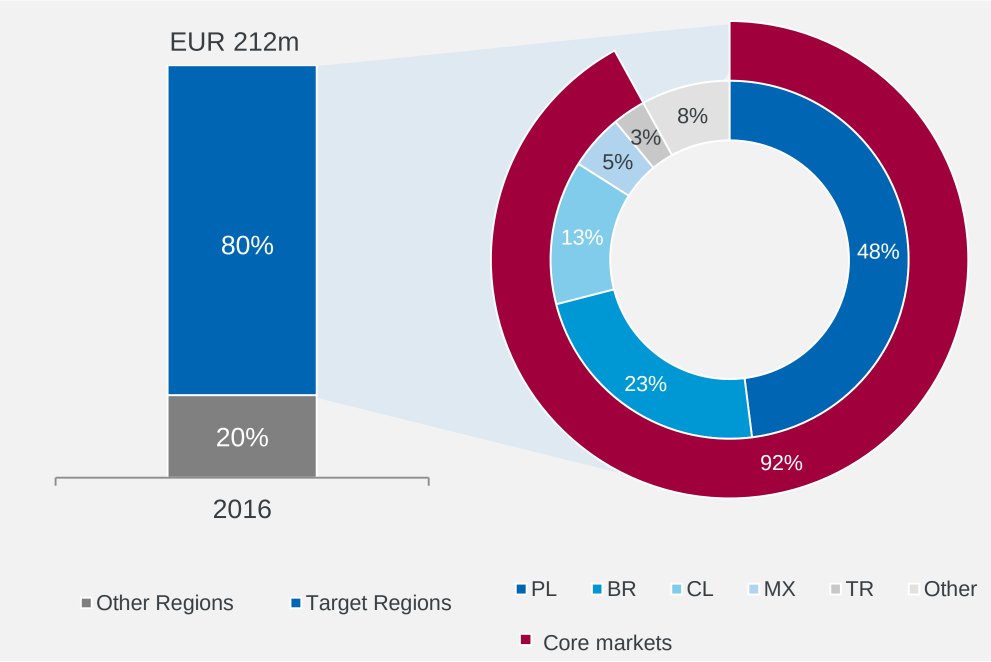
GWP contribution



GWP share of core markets: 64%[1]

1 87% GWP from core markets out of 73% GWP from target regions means 64% GWP contribution from core markets to the segment's GWP

EBIT contribution



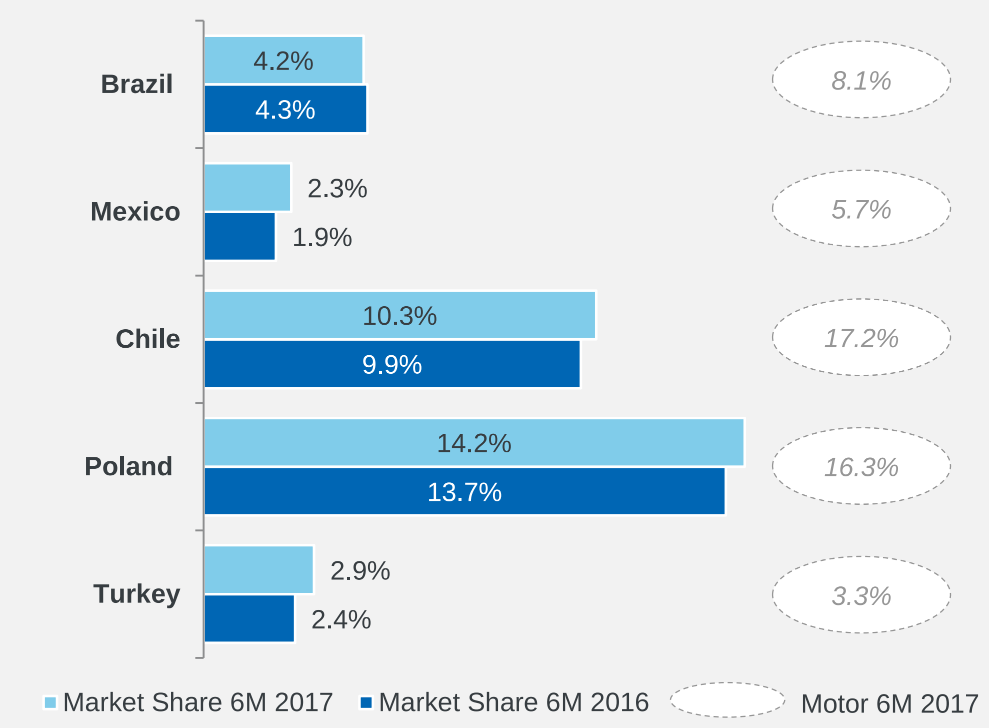
EBIT share of core markets: 74%[2]

2 92% EBIT from core markets out of 80% EBIT from target regions means 74% EBIT contribution from core markets to cumulated EBIT contribution from operating entities

Core markets contribute the vast majority to segment's GWP and EBIT

3 Among top 5 in core markets – Market shares and markets positions in Retail International's core markets

Market share development in core markets[1]



Market position in core markets

Region	Country	Period	Motor Market	Status	Total Market[1]	Status
LatAm	Brazil	6M 2016	#5	🛠	#8	🛠
		6M 2017	**#6**		**#8**	
	Mexico	6M 2016	#9	✓	#17	🛠
		6M 2017	**#5**		**#15**	
	Chile	6M 2016	#3	✓	#5	✓
		6M 2017	**#3**		**#4**	
CEE	Poland	6M 2016	#3	✓	#2	✓
		6M 2017	**#2**		**#2**	
	Turkey	6M 2016	#11	🛠	#13	🛠
		6M 2017	**#11**		**#15**	

✓ **on track** 🛠 **in the works**

1 P/C Markets; according to GWP
Note: 6M 2017 portfolio share motor/non-motor within P/C business: 73%/27% (overall); 81%/19% (LatAm); 64%/36% (CEE)

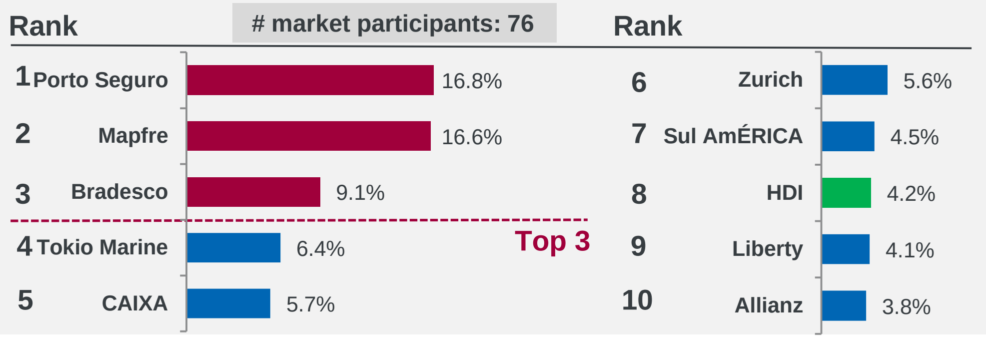
Top 5 motor market position achieved in three core markets

3 Among top 5 in core markets – Fact sheet - HDI Brazil

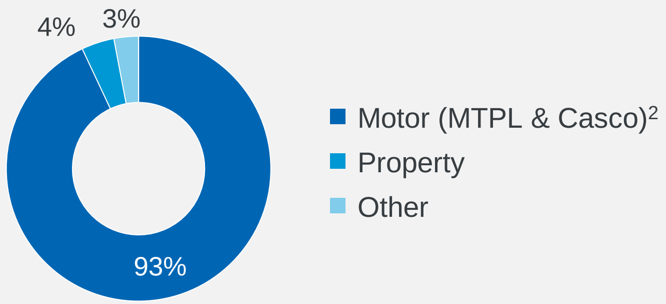
P&L

EURm, IFRS	2016	2015	Change	9M 2017	9M 2016	Change
Gross written premium	807	884	(9%)	656	576	+14%
Combined ratio (%-NPE)	102.1%	99.3%	+2.8%pts	100.1%	102.4%	(2.3%)pts
Net investment income	79	74	+6%	53	59	(10%)
Operating result (EBIT)	42	46	(9%)	26	33	(22%)
Net income	31	33	(6%)	20	24	(16%)

P/C market share (6M 2017)[1,3]

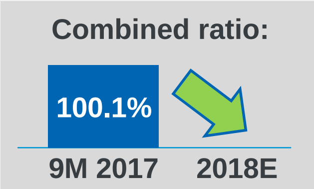


Portfolio structure (2016)[1]



Strategic outlook

- Reach top 5 position in P/C market
- Reach combined ratio of ~96%
- Keep cost advantage vs. market[4]
- Raise Non-Motor share in portfolio to 20%
- Become first fully digital insurer



1 According to GWP
3 According to local GAAP
2 Thereof MTPL (i.e. motor third-party liability) 22%pts and Casco 71%pts
4 FY2016 cost ratio of 35% vs market of 43% (according to local GAAP)

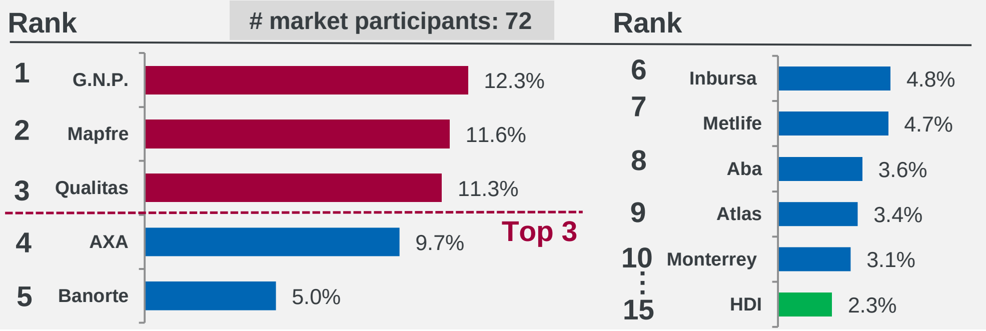
Excellent position to gain market share in upcoming hard cycle

3 Among top 5 in core markets – Fact sheet - HDI Mexico

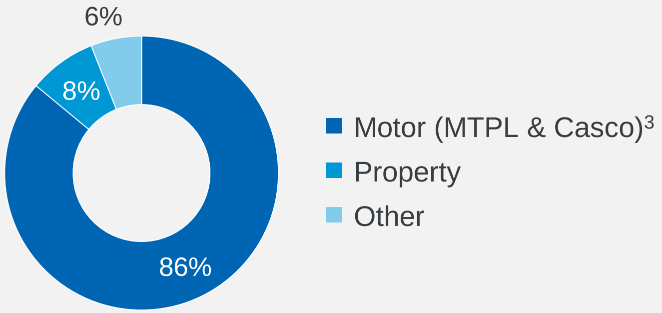
P&L

EURm, IFRS	2016	2015	Change	9M 2017	9M 2016	Change
Gross written premium	266	264	+1%	243	191	+27%
Combined ratio (%-NPE)	95.3%	93.2%	+2.1%pts	95.2%	95.7%	(0.5%)pts
Net investment income	6	6	(7%)	7	4	+66%
Operating result (EBIT)	8	8	(3%)	7	6	+28%
Net income	6	6	(1%)	5	4	+28%

P/C market share (6M 2017)[1,2]



Portfolio structure (2016)[1]



Strategic outlook

- Stay within top 5 in Motor[4]
- Keep combined ratio at ~96%
- Increase Non-Motor portfolio share to 30%
- Full implementation of behavioural pricing

Combined ratio:

95.2% →

9M 2017 | 2018E

1 According to GWP
2 According to local GAAP
3 Thereof MTPL 20%pts and Casco 66%pts
4 HDI Motor market share/position 2012: 1.9% / #11; Q2 2017: 5.7% / #5; according to local GAAP

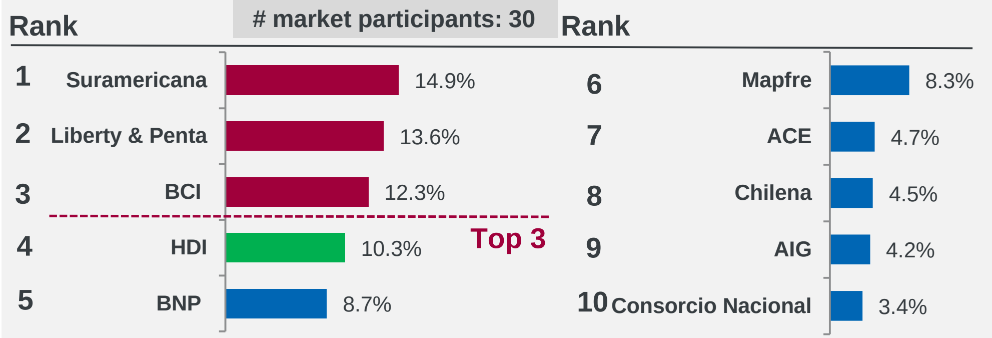
HDI to keep top-5 position in Motor – closing market share gap in Non-Motor P/C

3 Among top 5 in core markets – Fact sheet - HDI Chile

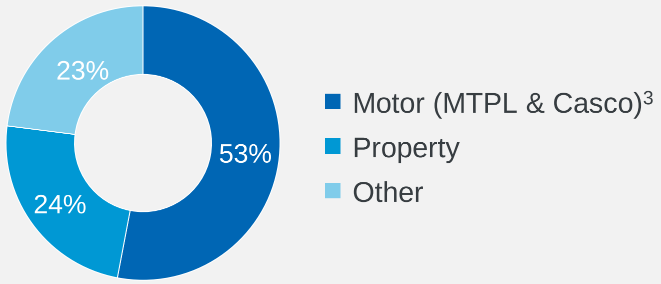
P&L

EURm, IFRS	2016	2015	Change	9M 2017	9M 2016	Change
Gross written premium	339	278	+22%	269	242	+12%
- *of which P/C*	331	272	+22%	260	235	+10%
- *of which Life*	8	6	+42%	9	6	+53%
Combined ratio (%-NPE)	88.7%	92.2%	(3.5%)pts	91.5%	90.6%	+0.9%pts
Net investment income	5	6	(9%)	4	4	+9%
Operating result (EBIT)	24	11	+112%	14	14	+0%
Net income	21	10	+114%	10	10	(2%)

P/C market share (6M 2017)[1,2]

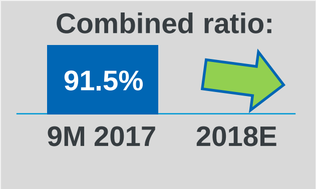


Portfolio structure (2016)[1]



Strategic outlook

- Reach top 3 market position (in Motor already #3)
- Keep combined ratio below 95%
- Keep cost advantage vs. market[4]
- Full implementation of behavioural pricing



1 According to GWP 2 According to local GAAP 3 Thereof MTPL 6%pts and Casco 47%pts 4 FY2016 admin cost ratio of 25% vs. market of 35% (according to local GAAP)

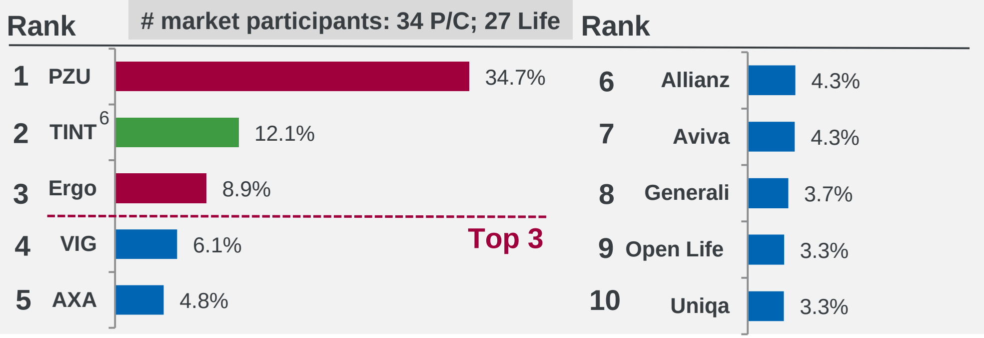
Good example for merger excellence of P/C businesses

3 Among top 5 in core markets – Fact sheet – Warta

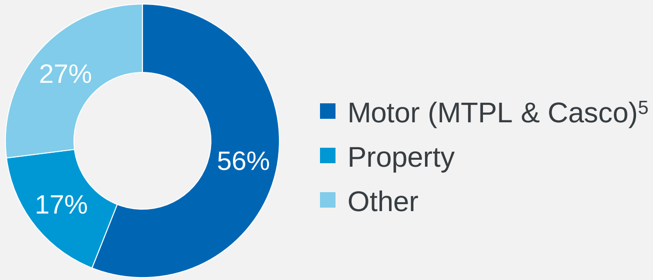
P&L (Total)

EURm, IFRS	2016	2015	Change	9M 2017	9M 2016	Change
Gross written premium	1,104	1,225	(10%)	1,007	805	+25%
- *of which P/C*	937	854	+10%	871	674	+29%
- *of which Life*	167[1]	371	(55%)	136	131	+4%
Combined ratio (%-NPE)	96.1%	96.4%	(0.3%)pts	95.5%	96.7%	(1.2%)pts
Net investment income	56	60	(8%)	52	40	+32%
Operating result (EBIT)	73[2]	80	(9%)	75[2]	53	+42%
Net income	56	64	(12%)	59	42	+41%

Total market share (6M 2017)[3,4]

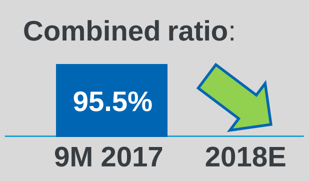


Portfolio structure, Life & P/C (2016)[3]



Strategic outlook

- 6M 2017: Gaining significant Motor market share in a hard cycle (6M 2017: 16.3%; 6M 2016: 13.6%). ~1 million insured vehicles added since Jan 2016
- Keep combined ratio at ~96%
- Keep cost advantage vs. Market[7]
- Continue to act as innovation leader



1 Thereof: EUR 55.4m single premium business
2 Impact of asset tax on 2016 EBIT: EUR -10.1m; 9M 2017: EUR -8.5m
3 According to GWP
4 According to local GAAP
5 Thereof MTPL 39%pts, Casco 17%pts
6 Including TU Europa Group (2.8%pts), bancassurance arm of Retail International
7 Admin cost ratio Warta (local GAAP): 5% vs. market: 8%

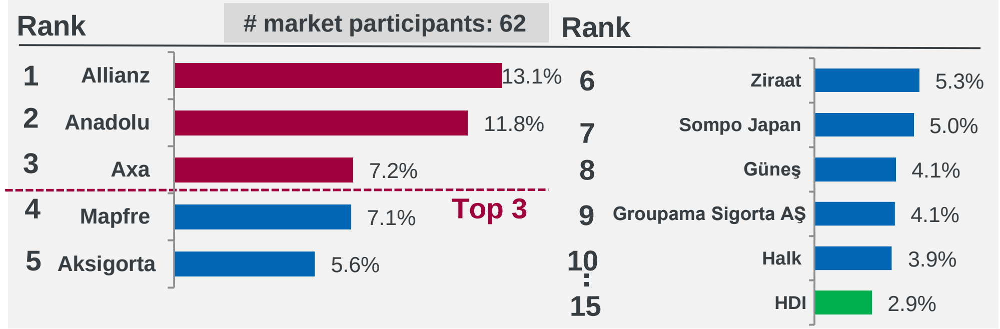
Warta well on track to reach FY2017 EBIT target of "at least EUR 100m", despite asset tax burden

3 Among top 5 in core markets – Fact sheet - HDI Turkey

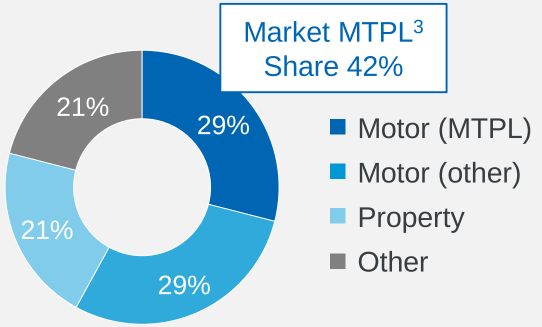
P&L

EURm, IFRS	2016	2015	Change	9M 2017	9M 2016	Change
Gross written premium	261	232	+13%	191	187	+2%
Combined ratio (%-NPE)	102.5%	102.5%	0%pts	102.5%	102.5%	0%pts
Net investment income	21	18	+21%	18	16	+13%
Operating result (EBIT)	6	5	+20%	4	4	(12%)
Net income	6	5	+20%	4	4	(12%)

P/C market share (6M 2017)[1,2]

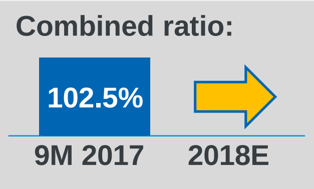


Portfolio structure (2016)[1]



Strategic outlook

- Keep portfolio share in MTPL below 30% - and significantly below peers
- Keep Non-MTPL business with a combined ratio below 95%[4]
- No material impact on Retail International segment expected from regulatory changes
- Keep competitive edge with digitised sales processes and express claims centres

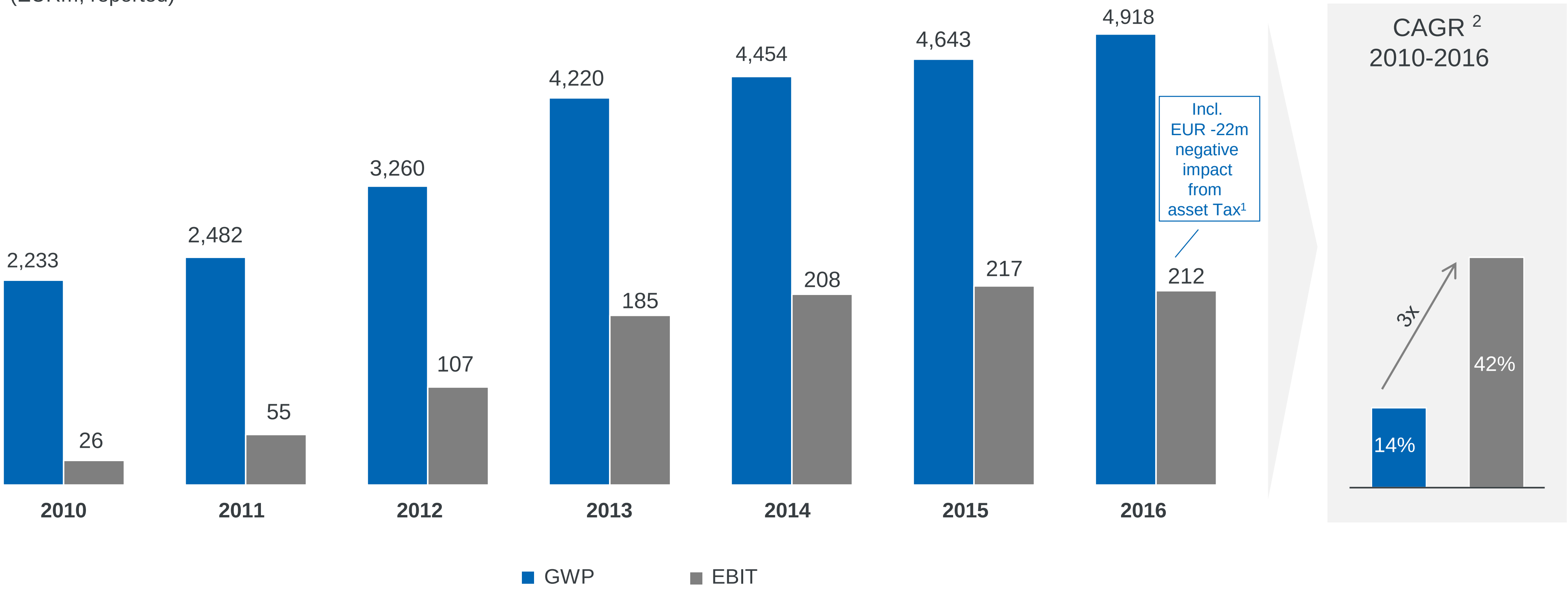


1 According to GWP 2 According to local GAAP 3 Excl. Health 4 HDI Turkey portfolio share MTPL (2012: 34%): ~29% due to unattractive market loss ratio (MTPL: 88.6% vs. loss ratio Non-MTPL: 65.7%)

Focus on selective and profitable growth path – target to reach top-10 position in P/C

4 Disciplined organic and inorganic growth, with focus on profitability – GWP and EBIT development since initiation of ti*GROW* 2010

(EURm, reported)

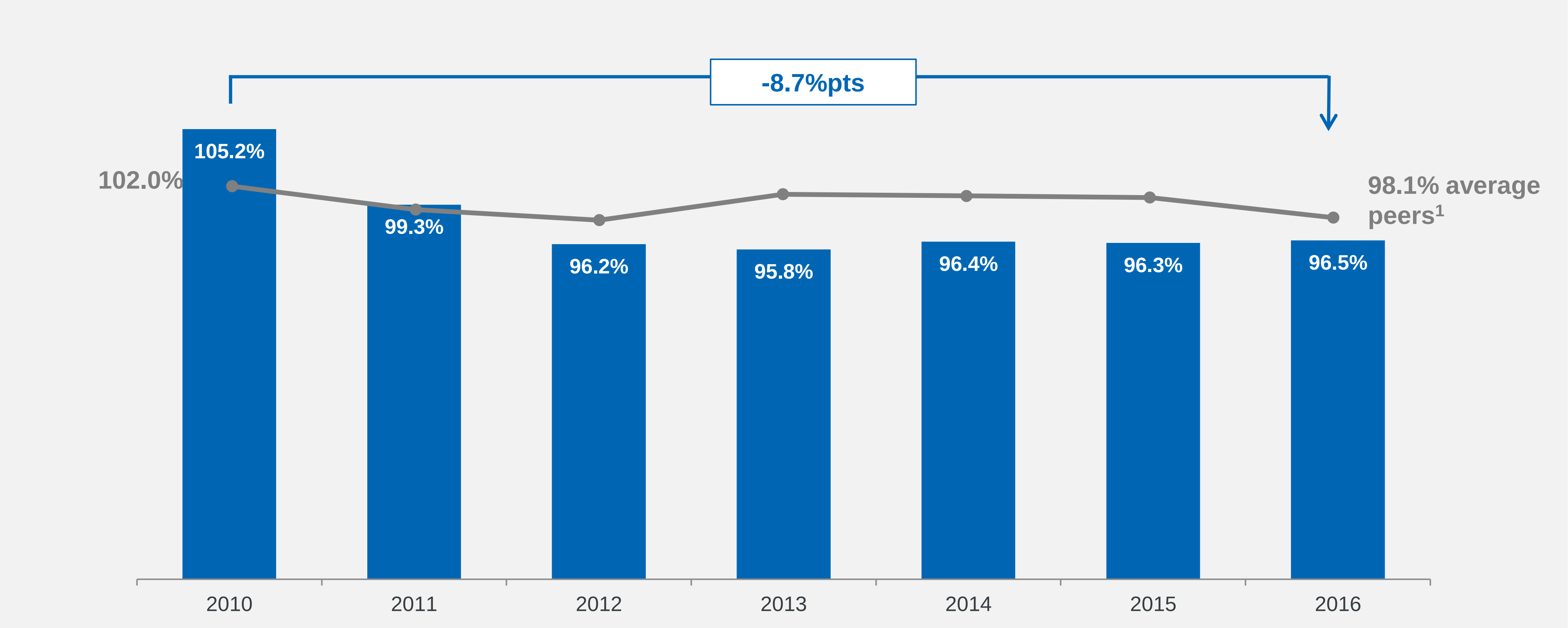


1 Asset tax allocated to EBIT result
2 CAGR 2010 – 2016 currency adjusted GWP: +18%; EBIT: +59%; reported EBIT growth excluding asset tax: +44% p.a. (CAGR 2010-2016)

Profitable growth: EBIT has even grown three times stronger than GWP since 2010

talanx.

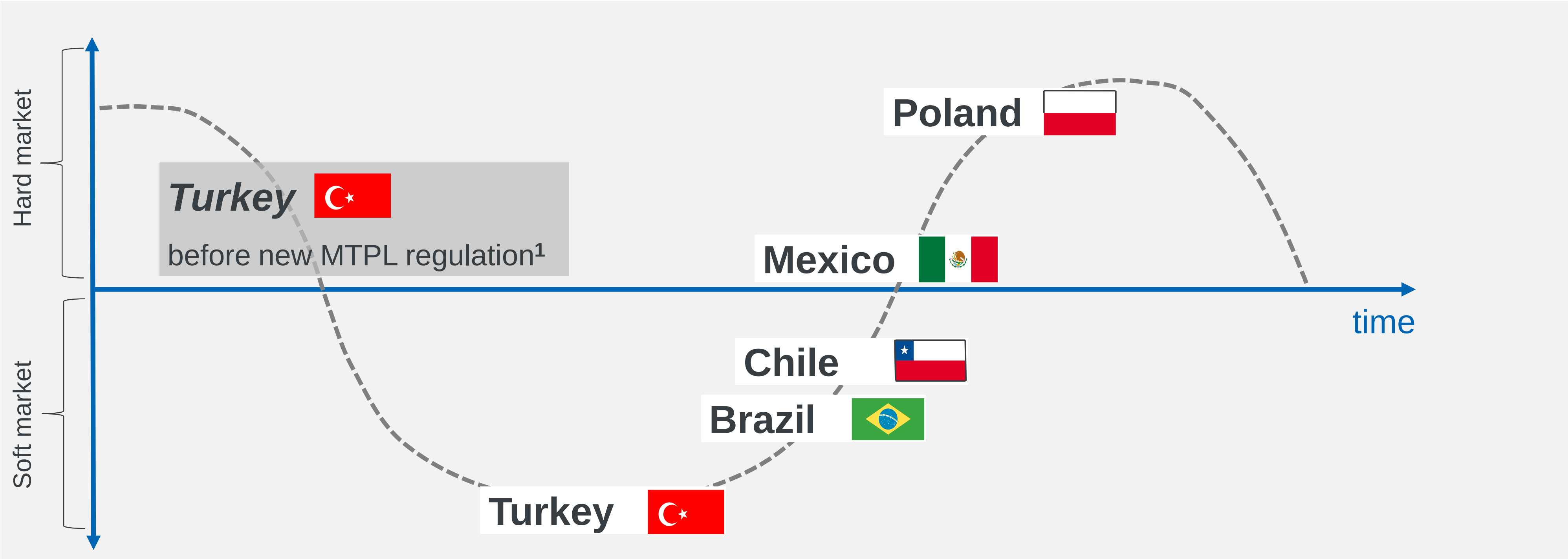
4 Disciplined organic and inorganic growth, with focus on profitability – Combined ratio development vs. peers



1 Peers in LatAm include Allianz, Mapfre and Zurich; peers in CEE include Allianz, VIG and Uniqa
Note: GWP growth in target regions (CAGR 2012-2016): Peers -0.4% p.a.; Retail International +10.5% p.a.

Significant improvement of combined ratio of 8.7%pts over time – outperforming peers since 2012

4 Disciplined organic and inorganic growth, with focus on profitability – Motor cycle in core markets

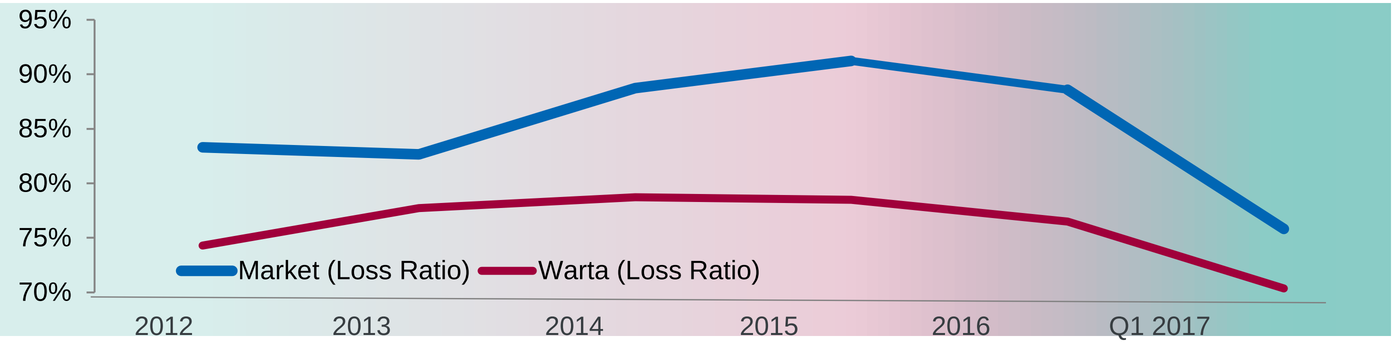


1 Effective of 12 April 2017, the local regulator set a price cap in MTPL ("Motor Third-Party Liability"), resulting in an average reduction of premiums by ~30%, and established a "Risky Customer Pool"
Source: own assumptions, Talanx AG

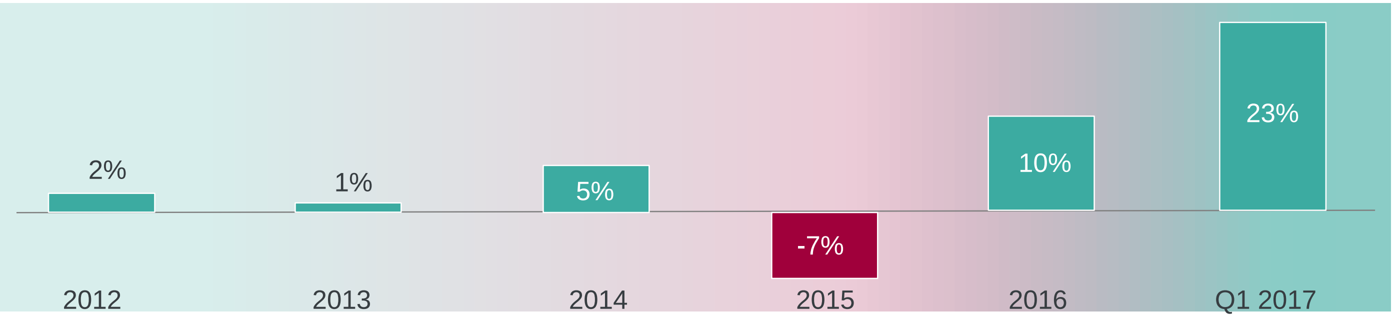
All core markets except Turkey on a positive trend

4 Disciplined organic and inorganic growth, with focus on profitability – Cycle management – Example Warta: MTPL portfolio

Loss ratio development compared to market



Policy growth dynamic – (Δ Warta policy growth vs. market policy growth)



Hard market | Soft market

Source: KNF data

Warta cycle management

2015 (soft market)
- Defending profitability by selective underwriting
- Growth dynamics significantly below market

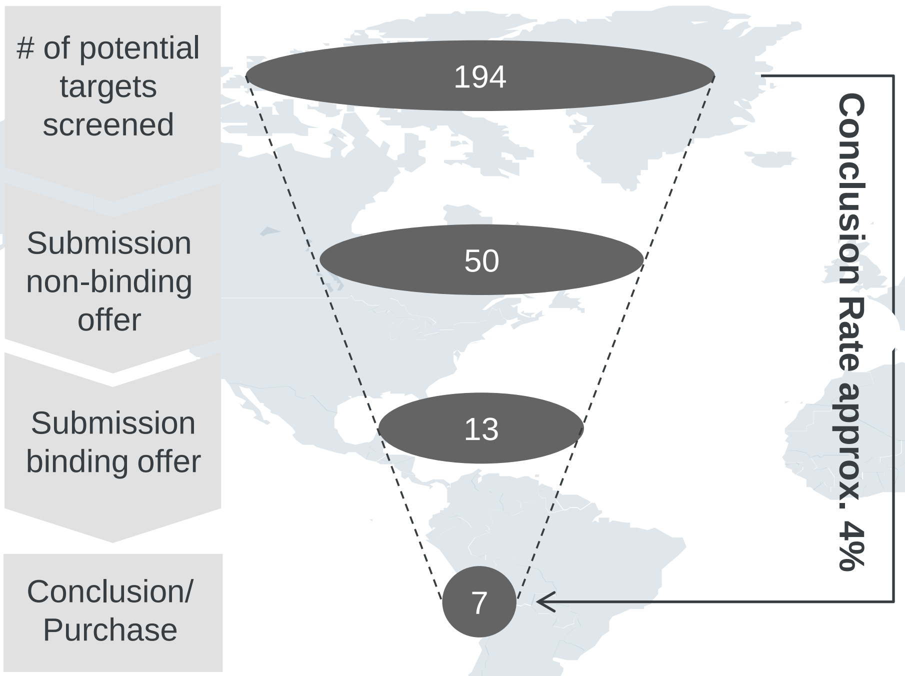
2016 (market hardening)
- Easing of selective underwriting combined with price increases led to growth acceleration
- Increase in growth for Warta above market levels

Since Q1 2017 (hard market)
- When hard market was reached, Warta significantly outperformed the market
- Profitable increase in the number of insured vehicles (~1m additional since Jan 2016)

Warta proves Retail International's excellent track record in cycle management

4 Disciplined organic and inorganic growth, with focus on profitability – Anorganic growth - Selective M&A approach

Completed transactions since 2011[1]



Year	Acquisitions	Disinvestments
2011	Argentina/Uruguay: L'Union de Paris	
2012	Mexico: Metropolitana Poland: Warta/ Europa	Liechtenstein: Aspecta Mexico: Life portfolio HDI
2013		
2014		Luxembourg: Life portfolio Mexico: Metropolitana Life
2015	Chile: Magallanes	Bulgaria: HDI Bulgaria Ukraine: HDI Ukraine
2016	Italy: CBA Vita	Poland: Open Life
2017	Colombia: Generali Columbia[2]	Russia: HDI Russia

1 Status as of end of September 2017 2 Subject to regulatory approval

Disciplined M&A track record – only 4% of screened targets finally acquired

4 Disciplined organic and inorganic growth, with focus on profitability – M&A integration – Example HDI Chile

Acquisition → **Integration Plan** → **Implementation Phase**

Signing
Dec 2014

Closing
2015Q1

Start of implementation
May 2015

May 2015
Integration of branches: reduction from 36 to 21

April 2016
Merger of legal entities: reduction from 6 to 4 entities

September 2016
New headquarter building: reduction 2 to 1

April 2017
One Brand policy

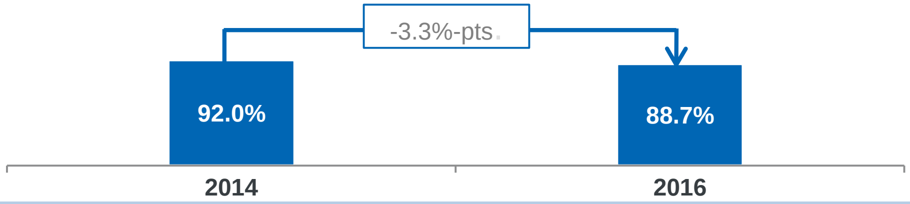
Q2 2017
Integration of IT core system: reduction from 2 to 1

End of integration
Q2 2017 ✓

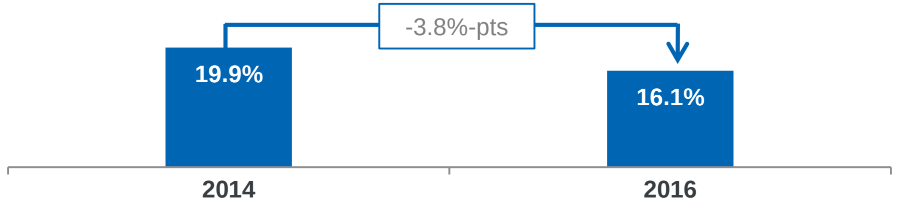
Integration of Magallanes into HDI Chile as fast and successful as its blueprint Warta

4 Disciplined organic and inorganic growth, with focus on profitability – M&A integration – Example HDI Chile

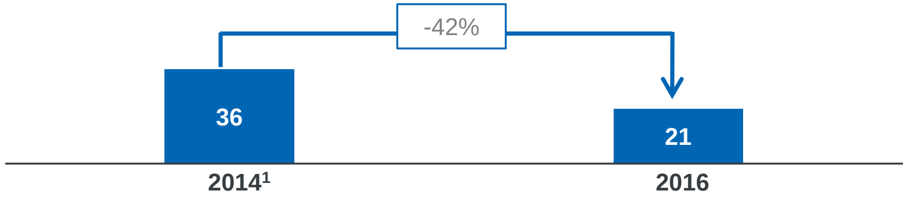
Combined ratio P/C



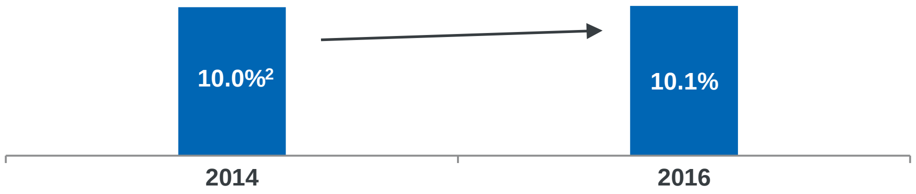
Admin cost ratio P/C



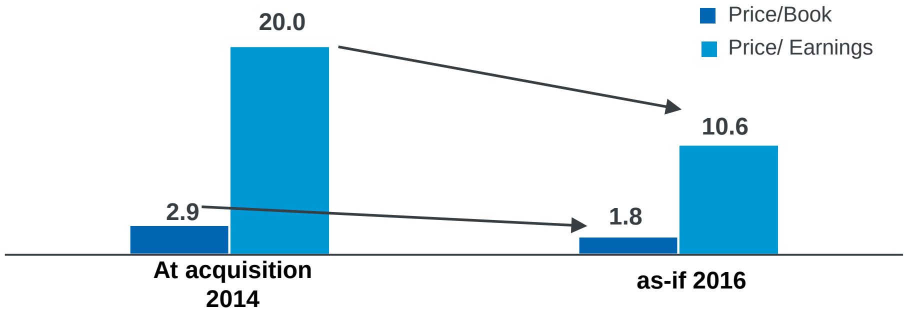
Number of branches



Market share (P/C only)



Price/Book[3] – Price/Earnings



1 Data 2014 pro-forma data HDI + Magallanes Group 2 Pro-forma number; combining 2014 HDI market share of 1.7% and Magallanes 8.3% 3 2014 calculated at acquisition price EUR 180m, earnings EUR 9m, with book value EUR 62m; 2016 calculated at acquisition price EUR 211m (adjusted for former HDI), earnings EUR 20m, with book value EUR 118m

Despite the merger, there was even a slight increase in market share for the new entity

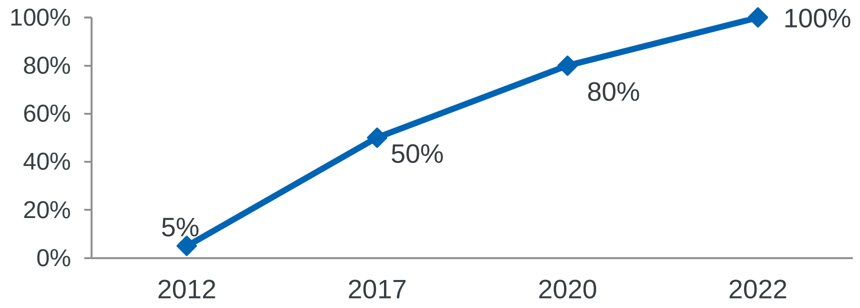
5 Digital Leadership – Automation & innovation at Retail International's core markets

Digital Automation …

- **Fully automated** products and workflows (black-box processing)
- **Real-time automated** underwriting and pricing
- Intermediaries' integration into the **digital sales** process

… replacing manual work and paper with machines

End-to-end automation rate[1]

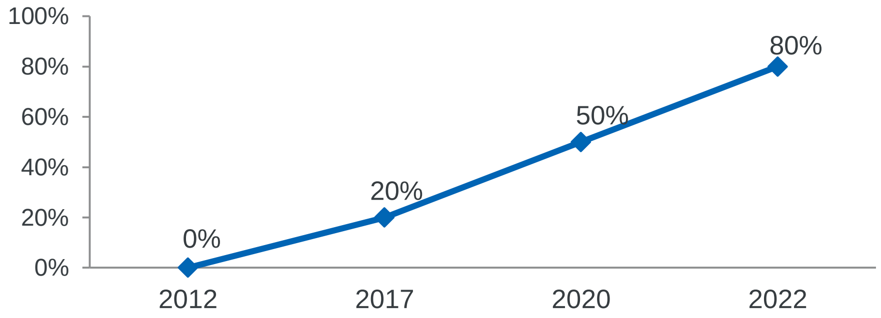


Digital Innovation …

- Leveraging data insights through **machine learning**
- Individual offers driven by **behavioural economics**
- **Voice recognition** via conversational bots (voice, chat) as leading channels

… changing processes and models by Artificial Intelligence

Rate of Artificial Intelligence in standard processing[1]

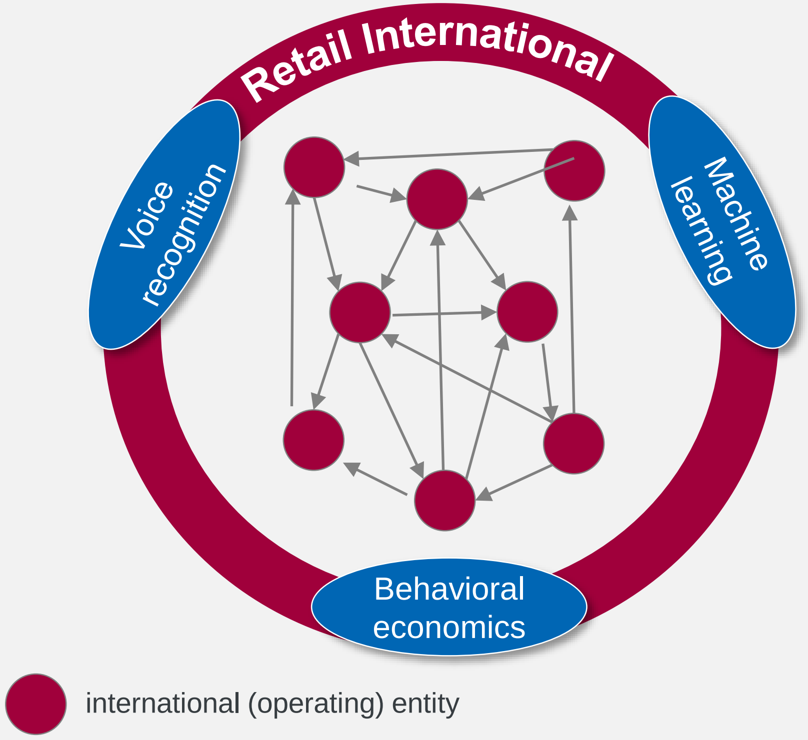


1 Shares of standard processes in Motor: 90% in pricing, 60% in claims/service - 6M 2017 portfolio share motor/non-motor within P/C business: 73%/27% (overall); 81%/19% (LatAm); 64%/36% (CEE)

Target to achieve digital leadership in Motor business in Retail International's core markets by 2020

5 Digital Leadership – Digital Innovation: institutionalised know-how transfer

Agile organisation



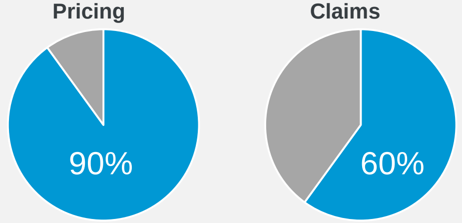
Core principles at Retail International:

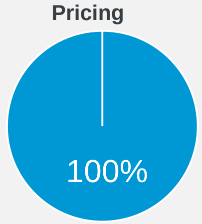
- Focus on three key digital initiatives
- Centralised "Best Practice Lab", located in Munich
- Decentralised organisation, entrepreneurial management, using pull approach
- Transformation towards an agile organisation

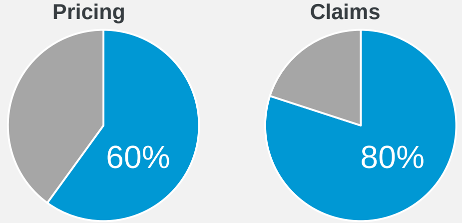
Retail International focuses on three key digital initiatives

5 Digital Leadership – Focus on three Digital Initiatives

Initiatives	Objectives 2022
1 Machine Learning	Pricing and claims analytics to be built on machine learning capabilities
2 Behavioural Economics	Motor pricing according to willingness to pay
3 Voice Recognition	Voice and text robots to become main customer and partner interface







Digital leadership ensures performance ahead of peers

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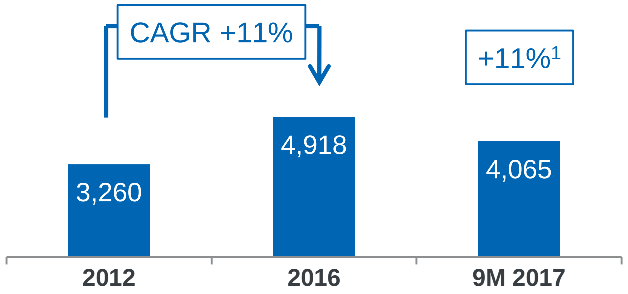
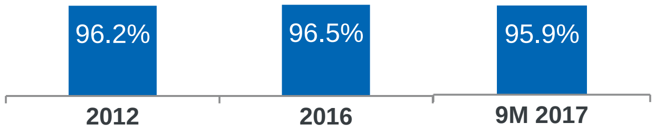
Summary Retail International – Outlook 2020

Key performance indicators (EURm)

GWP



Combined ratio



Outlook 2020		
	GWP growth	~10% p.a.[2]
	Combined ratio (P/C)	~ 96%

1 Compared to 9M 2016 GWP (EUR 3,669m) 2 CAGR (2016-2020), currency-neutral, organic growth

Targets are subject to no large losses exceeding budget (cat), no turbulences on capital markets (capital), and no material currency fluctuations (currency)

Key Messages

- We have delivered on what we have promised and confirm our mid-term targets
- We intend to profitably outgrow peers and to become top 5 in all our core markets
- We drive digital leadership
- Outlook 2020: GWP growth ~10% p.a.[1] at a combined ratio (P/C) of ~96%

1 CAGR (2016-2020), currency-neutral, organic growth
Note: Targets are subject to no large losses exceeding budget (cat), no turbulences on capital markets (capital), and no material currency fluctuations (currency)

Agenda

I	Group Strategy	Herbert K. Haas
II	Group Financials	Dr. Immo Querner
III	Retail International	Torsten Leue
IV	Industrial Lines	Dr. Christian Hinsch
V	Retail Germany	Dr. Jan Wicke
VI	Final Remarks	Herbert K. Haas

Industrial Lines – Today's agenda

- Facts & figures
- Portfolio optimisation ("Balanced Book") and focus on profitability
- Generating profitable growth
- Establishing best-in-class efficiency and processes

Facts & figures – Status update

Targets and promises Industrial Lines

Gross premium growth (p.a.)	3-5%[1]
Retention ratio (2019)	60-65%
Share of international business (2019)	65%
Combined ratio in Property, Marine and Motor (2016)	each <100%
Balanced Book expected to contribute to targeted increase in profits	

Status Update

- ✓ +2.2% (CAGR 2013-17E)[1] top-line flattish in FY2016, impacted by Balanced Book measures; strong growth momentum in current year
- ✓ Retention ratio up from 50.9% in FY2014 to 53.4% in FY2016; first priority is profitability
- ✓ International share up from 57% (2014) to 61% (2016); generally on track to reach target
- (in the works) Targets reached in FY2016 for Property and Motor; Marine still lagging, but significantly improved
- ✓ Domestic Balanced Book initiative proved to have a positive effect on loss ratio

1 Organic growth only, currency-neutral
Note: Targets are subject to no large losses exceeding budget (cat), no turbulences on capital markets (capital) and no material currency fluctuations (currency)

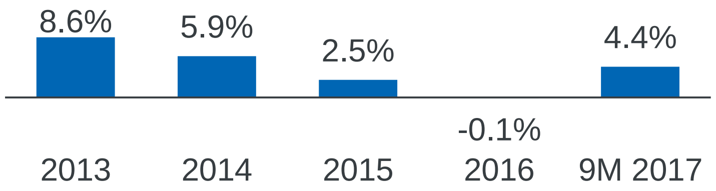
✓ on track   in the works

Industrial Lines either met its major targets or is well on track to meet them

Facts & figures – The status quo

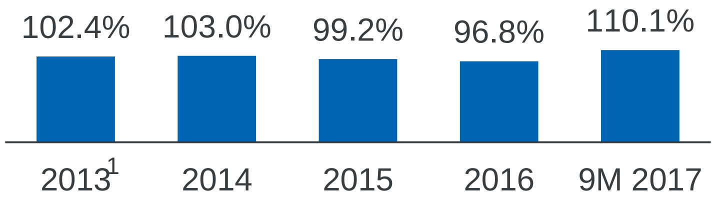
Target | Actual results | Comments

Gross written premium growth of +3-5%[2]



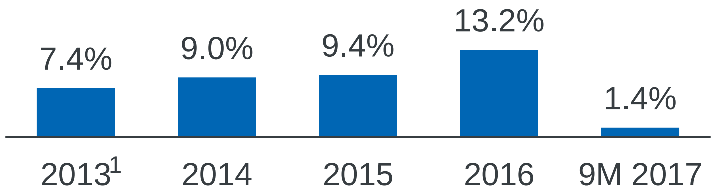
- Strong premium growth, especially from international business
- German business with dampening effect from profitabilisation measures

Combined ratio ~ 96%[3]



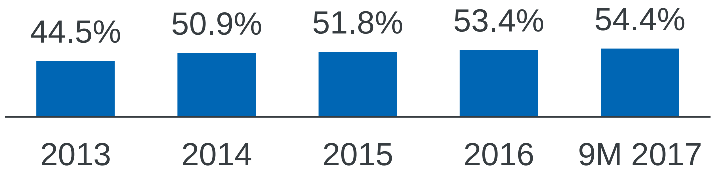
- Average combined ratio since 2012 significantly improving and close to target through FY2016

EBIT margin ~ 10%[3]



- Average EBIT margin (2012-2016) of 11%
- Parallel to positive effects from profitabilisation and improvement of combined ratio, EBIT margin significantly up

Retention rate 60-65%

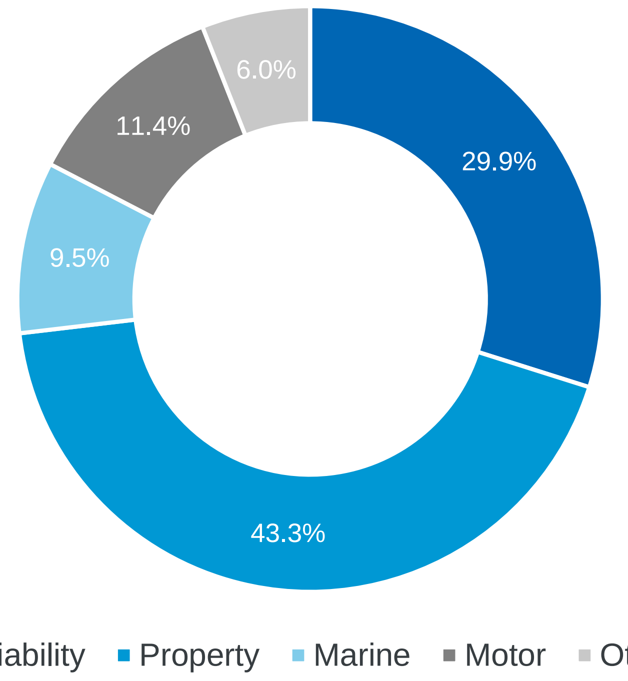


- Increase in retention rate on track towards target

1 IAS 8 adjusted
2 Currency-adjusted
3 Mid-term target refers to Talanx's Primary Insurance

Facts & figures – GWP split and combined ratio by lines of business

GWP split (2016)[1]



Lines of business / Combined ratio net %[1]

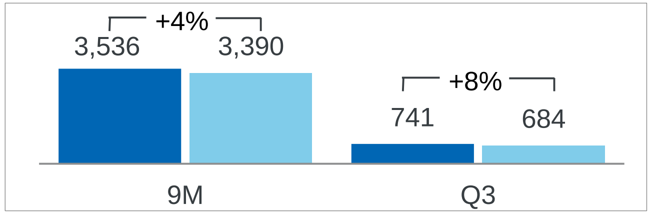
Lines of business	2013	2014	2015	2016	9M2017
Liability	96.4%	107.9%	85.5%	94.3%	97.3%
Property	105.5%	99.6%	98.5%	89.8%	138.2%
Marine	114.4%	106.8%	126.5%	124.5%	99.2%
Motor	103.6%	101.4%	99.4%	97.4%	102.0%
Total	102.4%	103.0%	99.2%	96.8%	110.1%

1 Consolidated figures

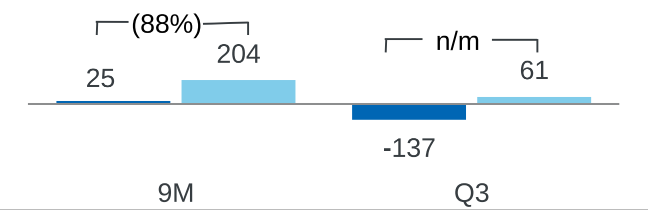
Overall, combined ratios are improving – Motor and Property business still at insufficient levels

Facts & figures – 9M 2017 results

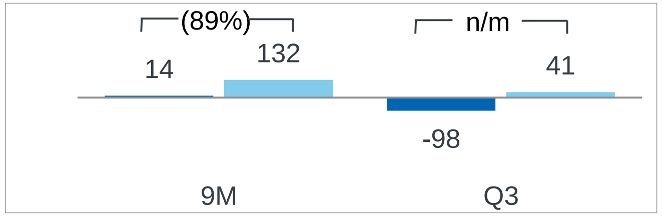
GWP



Operating result (EBIT)



Group net income



Retention rate in %

	9M		Q3	
	2017	2016	2017	2016
Retention rate in %	54.4	52.9	54.8	53.7

Combined ratio in %

	9M		Q3	
	2017	2016	2017	2016
Combined ratio in %	110.1	98.0	135.0	98.4

RoE (ann.) in %

	9M		Q3	
	2017	2016	2017	2016
RoE (ann.) in %	0.8	8.2	-17.9	7.6

- Strong underlying growth from international markets, e.g. Asia, Australia, France and UK. 9M 2017 curr.-adj. GWP growth of +4.4% y/y
- Positive impact from takeover of Motor fleet business of Retail Germany, broadly compensated by disposal effect of Norwegian Marine portfolio
- Further increase in retention, mainly resulting from Liability lines and higher portfolio share in Motor

- 9M 2017 combined ratio significantly increased due to large losses in NatCat. Also some burden from above-average frequency losses
- Cost ratio slightly improved
- Q3 2017 with negative EBIT contribution

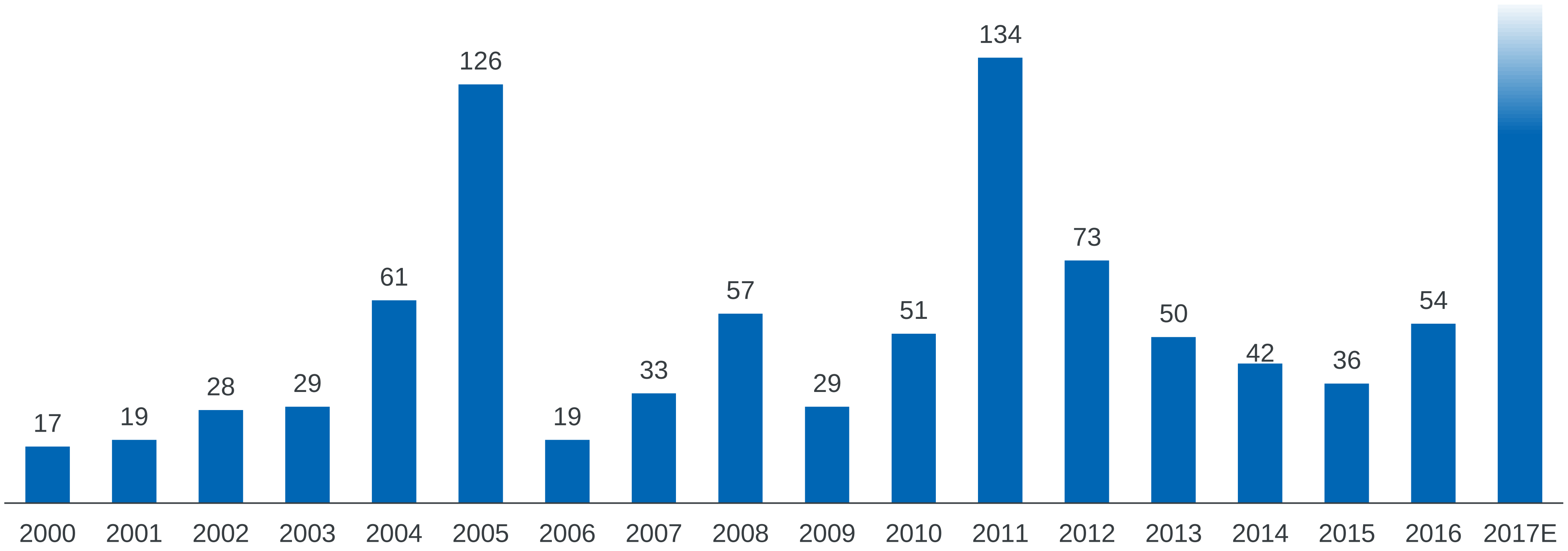
- 9M 2017 investment result improved. Ordinary investment result up, supported by a positive impact from equities and real estate investments. Extraordinary investment result supported by gains from equities and lower writedowns
- Lower tax rate due to above-average contribution from lower-taxed entities, already reported earlier this year
- Group net income positive in 9M 2017

EURm, IFRS ■ **2017** ■ **2016**

9M 2017 results severely impacted by NatCat events in Q3 2017

Facts & Figures - Global insured large losses from NatCat

Global insured losses: all natural disasters since 2000 (in USDbn)



Source: AonBenfield 2016 Annual Global Climate and Catastrophe Report; 2017: estimates of Hannover Re

2017 large losses from NatCat may reach similar levels to those in 2005 and 2011

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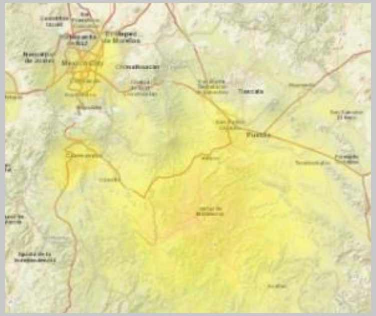
Facts & Figures – Overview of Q3 2017 major hurricanes and earthquake in Mexico

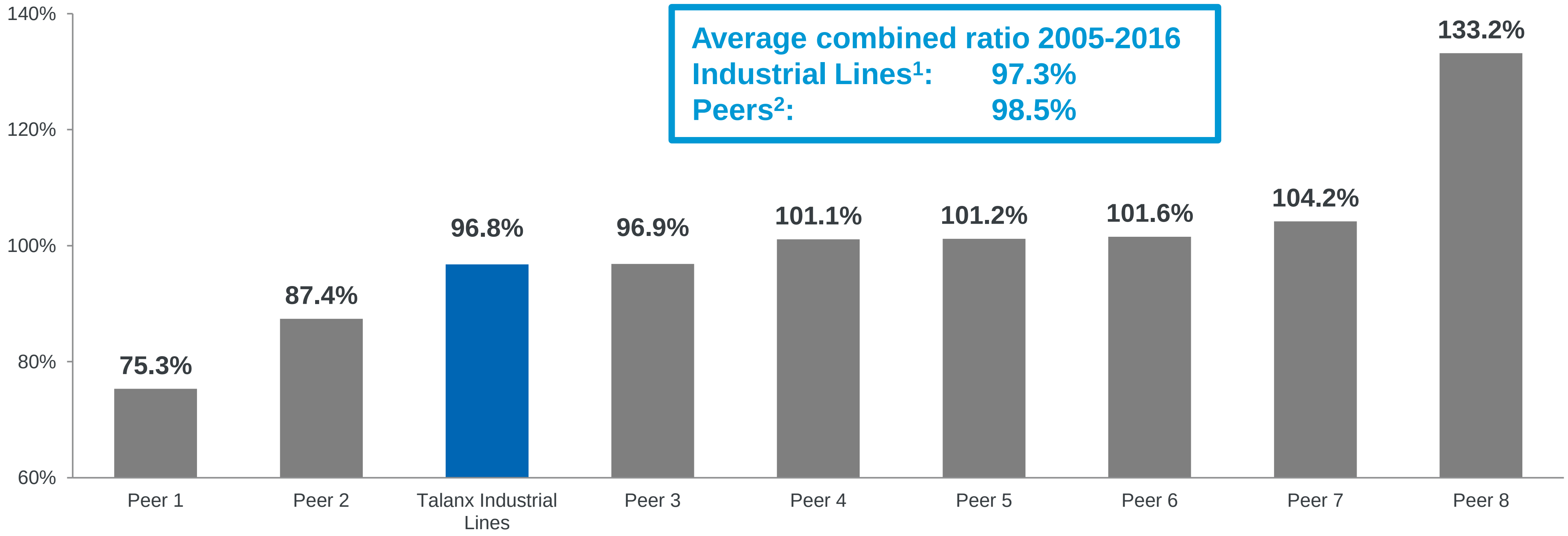
Harvey 26 Aug. – 1 Sept 2017		Irma, 06-12 Sept 2017		EQ Mexico, 19 Sept 2017		Maria, 18-25 Sept 2017	
Landfall	**Texas**	Landfall	**Florida**	Location	**Puebla**	Landfall	**Puerto Rico**
Category	**4 (at landfall)**	Category	**4 (at landfall)**	Magnitude	**7.11**	Category	**5 (at landfall)**
Economic loss	**~USD 53-90bn**	Economic loss	**~ USD 62bn**	Economic loss	**n/a**	Economic loss	**~ USD 45-95bn**
Loss for HDI Global	**EUR 71m (exp.)**	Loss for HDI Global	**EUR 45m (exp.)**	Loss for HDI Global	**EUR 39m (exp.)**	Loss for HDI Global	**EUR 42m (exp.)**
Predominantly affected industries	**Chemicals and refineries**	Predominantly affected industries	**Infrastructure**	Predominantly affected industries	**Car manufacturers and car suppliers**	Predominantly affected industries	**Pharmaceuticals and infrastructure**



Source: Talanx AG

Portfolio optimisation – Profitability compared to peers

Comparison of combined ratios (2016)

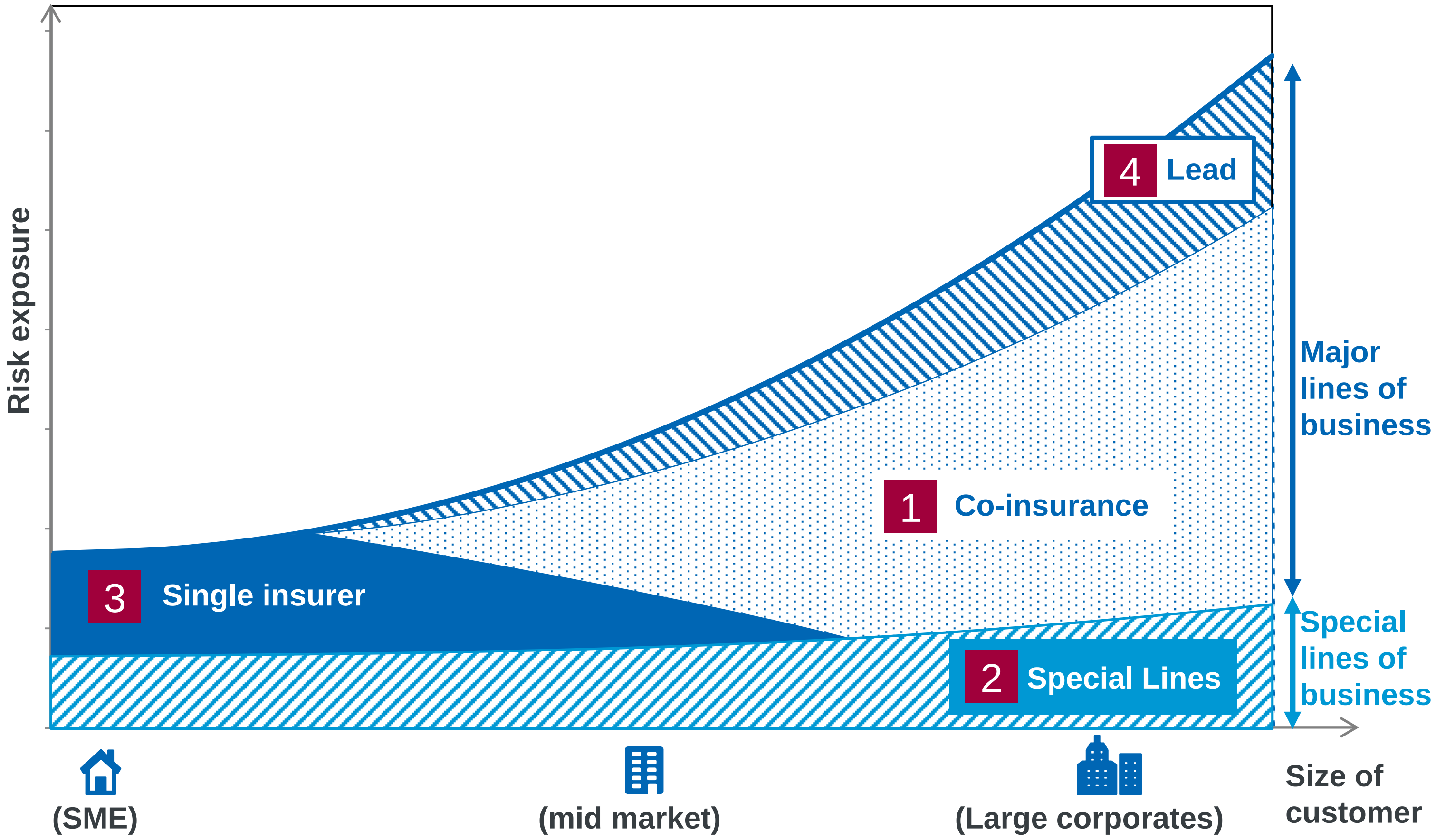


Peers include: Allianz Global Corporate & Specialty, AIG Commercial, AXA Corporate Solutions, Chubb, FM Global, Swiss Re Corporate Solutions, Zurich Global Corporate, XL Catlin;
Please note: AIG with premiumweighted sum of Property&Specialty and Liability&Financial Lines; AXA published its combined ratio based on net technical result to gross earned premiums; Chubb: premiumweighted sum of North America Commercial P&C and Overseas General Insurance segments; XL: Insurance segment
1 Numbers for HDI SE only; 2 Excluding Swiss Re Corporate Solutions

Industrial Lines with better combined ratio than most of its peers

Portfolio optimisation – Profitable growth strategy in the commercial insurance market

Structure of commercial insurance market



Comments

- National markets consist of submarkets with different characteristics
- A new entrant in a local market typically starts either as a co-insurer or as a niche-player in special lines of business
- Single and lead insurers are typically in the most profitable position in industrial insurance
- Major lines of business for Industrial Lines are Liability, Property, Engineering, Marine and Motor
- Special lines of business for Industrial Lines are, e.g. D&O, Cyber, Kidnapping & Randsome, Clinical Trial, Entertainment, Group Accident

Portfolio optimisation – Different characteristics of submarkets in commercial insurance business

Commercial insurance sub-market	Preconditions for insurers	Barriers of entry	Number of competitors
1 Co-insurance	▪ Pure capacity business ▪ Direct or reinsurance license	**Low -** no need of specific underwriting know-how	**Very high**
2 Special lines	▪ Local expertise in relevant market	**Medium** - typically a niche market, where local expertise/contacts are key	**Small** typically <20 in local markets
3 Single insurer in major lines of business	▪ Local expertise in relevant lines, special risks ▪ Existing local infrastructure in sales and claims handling	**Relatively low for local insurers,** higher for foreign entrants	**High** typically 5-25 in local markets
4 Leader in consortium	▪ Specific expertise in underwriting, claims and risk engineering ▪ Local infrastructure in sales and claims management ▪ **International network**	**High** - strong reputation and claims handling excellence are key	**Small** usually fewer than 5 in local markets

Direction of targeted development

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Portfolio optimisation – Potential for outperformance in commercial insurance

Commercial insurance sub-market	Industrial Lines‘ potential for outperformance	Position in national markets (Examples)	Share of business 2016[1]
1 Co-insurance	▪ Limited competitive advantage (rather a question of capacity) ▪ No pricing power (“Take it or leave it”) ▪ Outperformance is difficult as co-insurers are exchangeble	Bahrain, South Africa, Canada	~15%
2 Special lines	▪ Opportunity for product differentiation ▪ Benefits from continued product innovations ▪ But: growth potential limited due to niche character	Japan, USA	~10%
3 Single insurer in major LoB	▪ Opportunity to optimise/diversify risk portfolio ▪ Excellent sales network, if possible proprietary	Brazil	~35%
4 Leader in consortium	▪ Strong opportunity to optimise risk/return portfolio by individually underwriting selected levers ▪ High level of quality in risk and claims service is major benefit for Industrial Lines ▪ More control over pricing	Germany, France, Netherlands, Switzerland	~40%

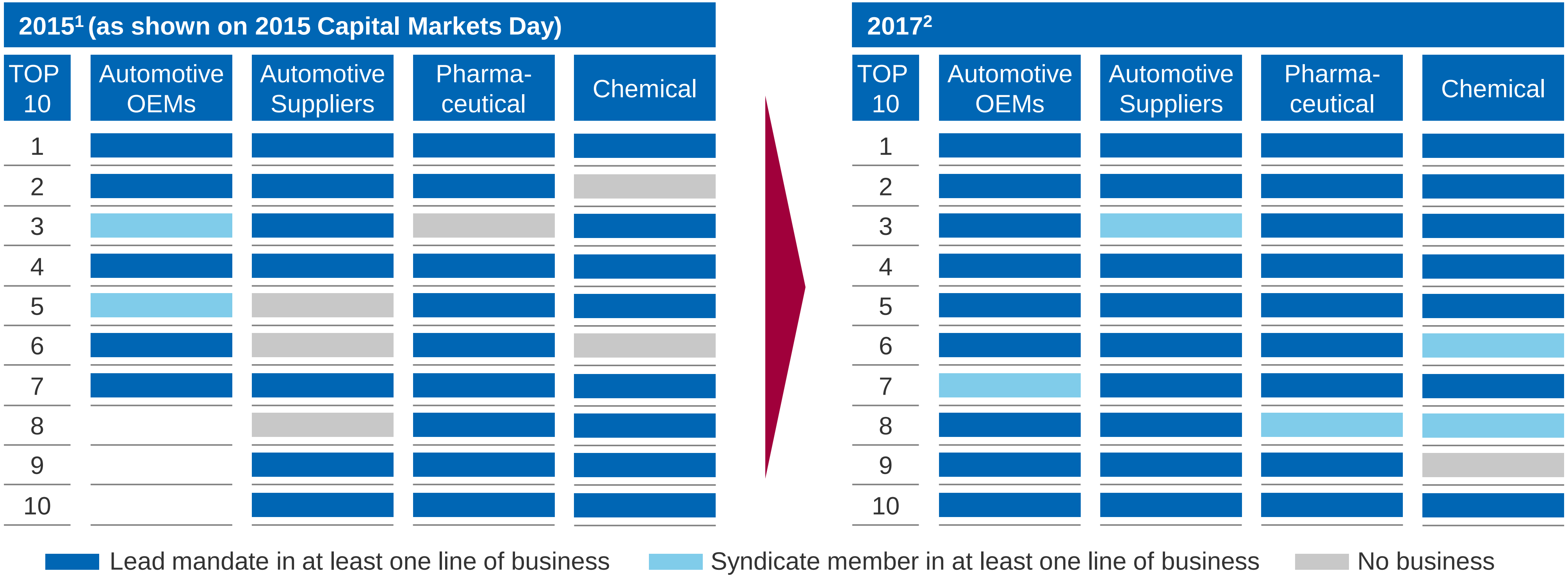
Direction of targeted development

1 Based on GWP 2016 of HDI Global SE

Development towards “Leader in consortium” is the target for Talanx’s Industrial Lines business in most countries

Portfolio optimisation – Development in European markets

Business with 10 largest players in four major industries in Europe



1 Rankings based on 2013 global turnover – Customer relationships as of summer 2015, Source: McKinsey, Talanx
2 Rankings based on 2015 global turnover – Customer relationships as of spring 2017, Source: Talanx

Number of lead mandates up by 5, to 34 out of 40, in 2017. Number of groups with no relationship reduced from 6 to only 1

Portfolio optimisation – Two elements of Balanced Book

Element of Balanced Book	Start in 2015	Evolution in 2017
1. Re-underwriting	▪ Germany	▪ Germany ▪ Europe
2. Growth in mid-market business	▪ Germany ▪ Europe ▪ Rest of World	▪ Germany ▪ Europe ▪ Rest of World

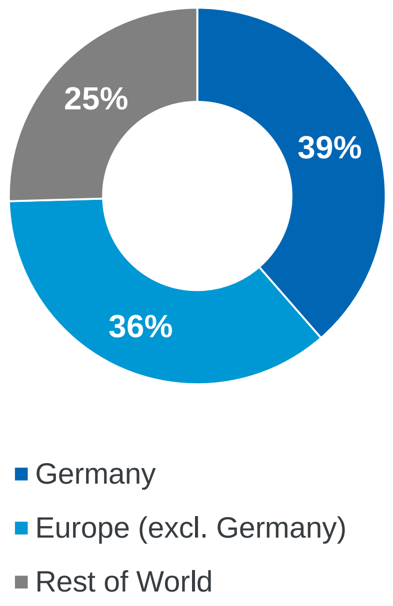
Comments

- Balanced Book comprises two elements: Re-underwriting and growth in business with small risk exposure (mid market)
- Starting in 2015, re-underwriting was implemented in Germany, while strategic growth in mid market was pursued worldwide, e.g. via regional office openings in Europe
- As of 2017, re-underwriting also outside Germany

Balanced Book is being continued and expanded

Portfolio optimisation – GWP and combined ratio by region

GWP split (2016)



Regions / Gross combined ratio[1]

Regions	2011	2012	2013	2014	2015	2016[3]	9M 2017[3]
Germany[2]	97.5%	115.3%	120.3%	110.5%	116.4%	102.9%	92.1%
Europe (excl. Germany)	75%	88%	83%	84%	81%	78%	88%
Rest of World	91%	68%	86%	83%	84%	78%	110%[4] / 82%

Beginning of Balanced Book

Comments

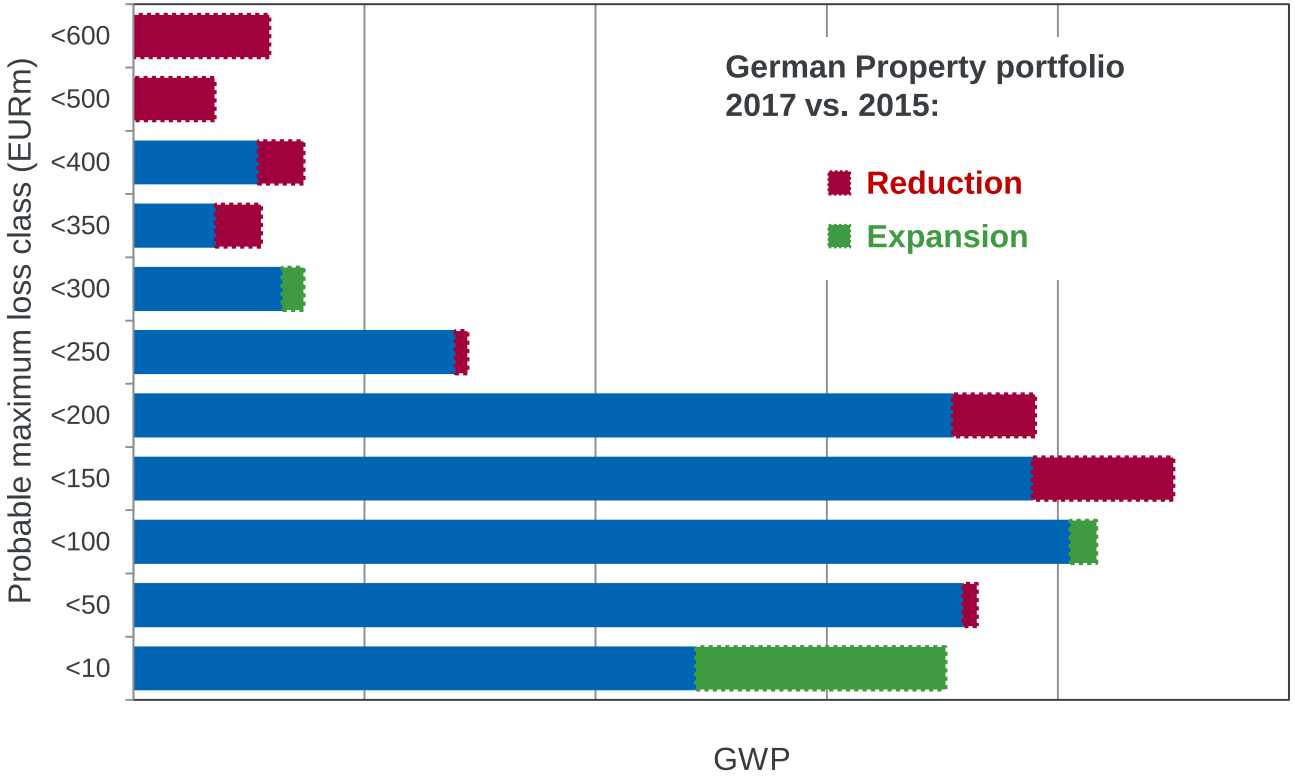
- Balanced Book initiative with significant positive effects on German risk book
- In international business, combined ratios remain attractive
- Expansion of Balanced Book principles towards international portfolio
- 9M2017 strongly affected by severe NatCat events in Q3

1 Calculated from adding figures of single-risk carriers; no consolidated numbers 2 Only direct business of German branches
3 Not including fronting for captives 4 Including earthquake in Mexico and Hurricanes Harvey, Irma, Maria

German Portfolio has improved with Balanced Book – principles have been extended to international business

Portfolio optimisation – Restructuring of Property portfolio in Germany (current)

GWP by risk capacity classes



Comments

- According to our strategy presented on Capital Markets Day in September 2015, the GWP contribution from smaller risk capacity classes has been raised in 2017 compared to 2015
- At the same time, contribution from large risk capacity classes has been reduced

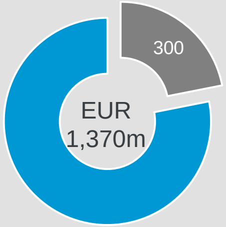
Restructuring of German Property portfolio is on track – continued improvement of premium-to-risk-exposure ratio

Portfolio optimisation – Current status of "Balanced Book"

2015/16

Portfolios under review (GWP) | Results

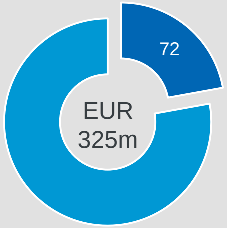
Property



Negotiated	EUR 303.7m
Effects on premium	- 8.4%
Capacity	- 21.7%

Premium to capacity ratio +25%[1,2]

Marine



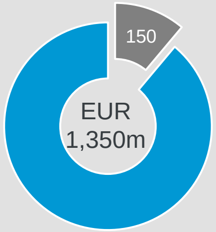
Negotiated	EUR 71.8m
Effects on premium	- 5.3%
Capacity	- 26.9%

Premium to capacity ratio +30%[1]

2016/17

Portfolios under review (GWP) | Results

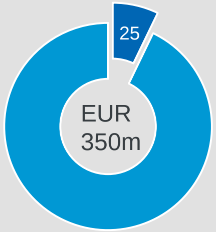
Property



Negotiated	EUR 150m
Effects on premium	- 2.0%
Capacity	- 19.0%

Premium to capacity ratio +20.7%[1,2]

Marine



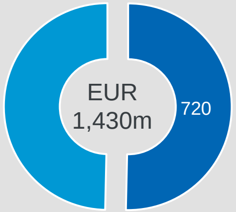
Negotiated	EUR 24.5m
Effects on premium	+23.2%
Capacity	-15.0%

Premium to capacity ratio +44%[1]

2017/18

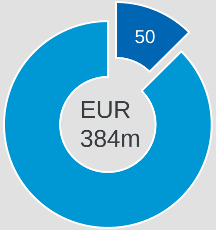
Portfolios under review (GWP)

Property



EUR 720m identified for re-underwriting in renewal 2017/18, in **both German and international business**

Marine



EUR 50m identified for re-underwriting in renewal 2017/18

- Global Portfolio
- Premium earmarked for re-negotiation (Global Portfolio)
- Premium earmarked for re-negotiation (German Portfolio)

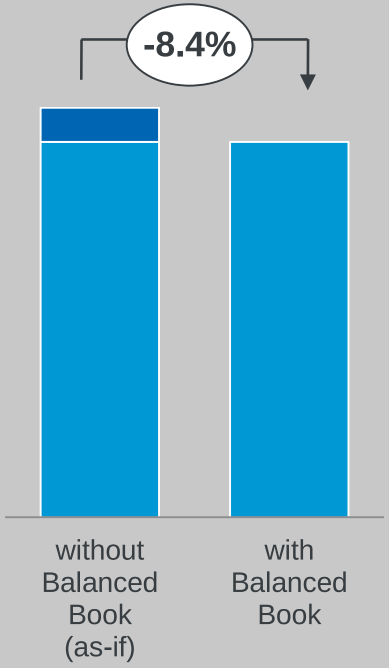
1 For portfolio under review

2 Including effect of additional specific reinsurance measures

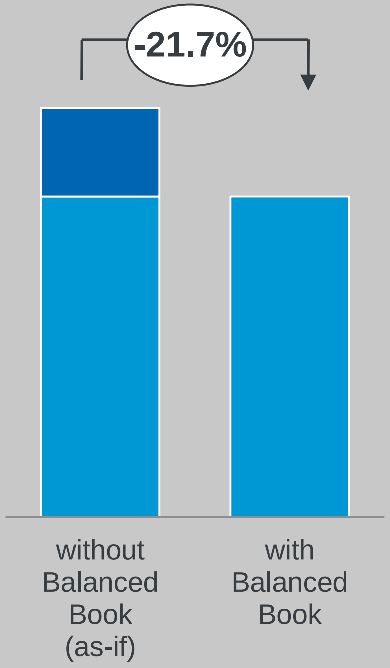
Constant portfolio optimisation has become an established process – now both, nationally and internationally

Portfolio optimisation – Actual impact of Balanced Book on loss burden in FY2016

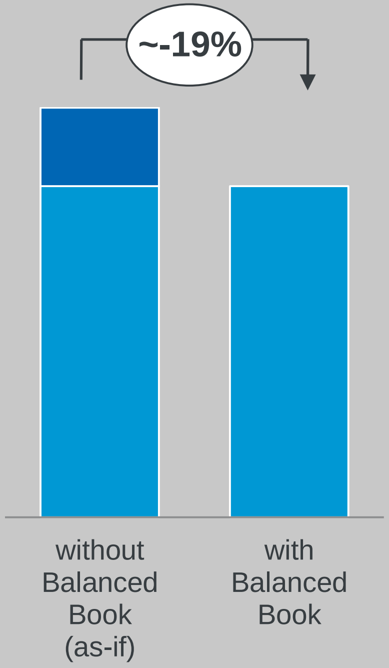
I Impact from re-negotiations on GWP (2016)



II Impact from re-negotiations on risk exposure (2016)



III Actual impact on loss burden (gross) (2016)



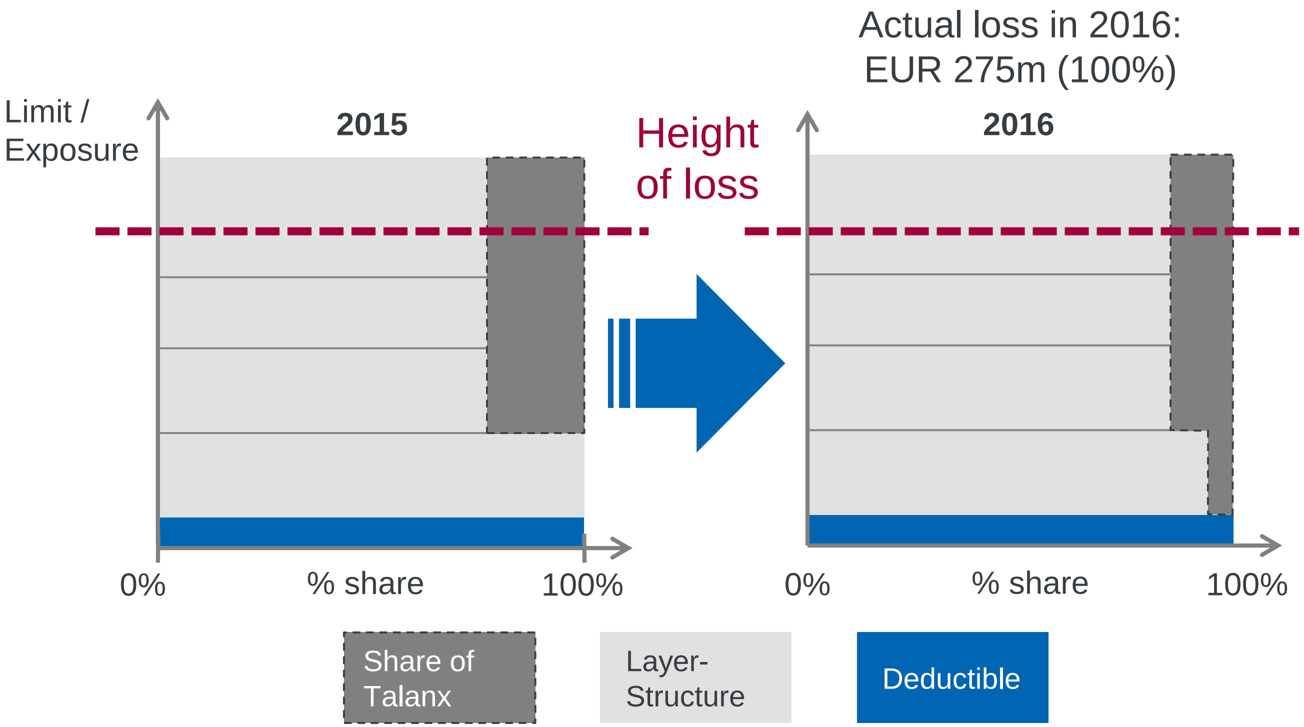
Comments

- I 2015/2016 renewals in German portfolio led to 8% decline in GWP
- II But: reduction in risk exposure was nearly 3x higher than decline in GWP
- III Loss burden (gross) was reduced by ~19% on total property book. Estimated impact on EBIT: ~6%

~19% reduction of loss burden in 2016 attributable to Balanced Book

Portfolio optimisation – Example of actual loss reduction
1 Industrial Lines as co-insurer

Example: Reduction of risk exposure by changing risk layer exposure



Contract information

Corporate client, Germany

Overall loss in 2016 (100%): >EUR 250m

Premium/exposure ratio improved in renewal 2015/16 by: >+50%

Actual reduction of loss burden[1] (Talanx share): ~EUR 11m

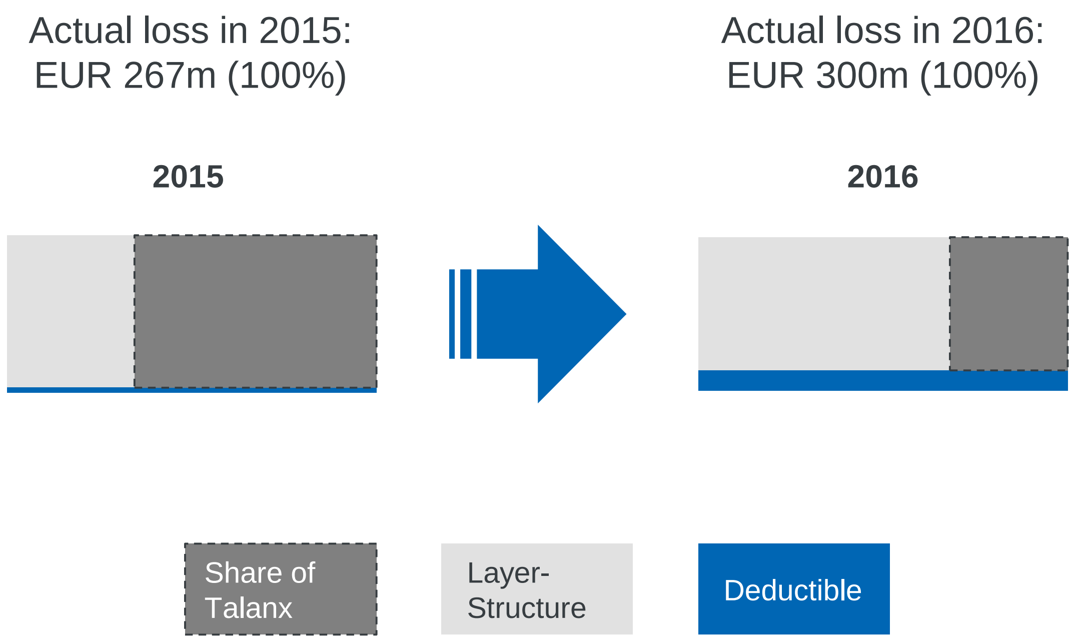
1 Compared to the same loss under 2015 contract conditions

Actual loss reduced by ~EUR 11 million

Portfolio optimisation – Example of actual loss reduction

4 Industrial Lines as a lead insurer

Example: Reduction of risk exposure by lowering share of risk



Contract information

Corporate client, Germany

Overall loss in 2016 (100%): >EUR 250m

Premium/exposure ratio improved in renewal 2015/16 by: >+450%

Actual reduction of loss burden (Talanx share): >EUR 60m

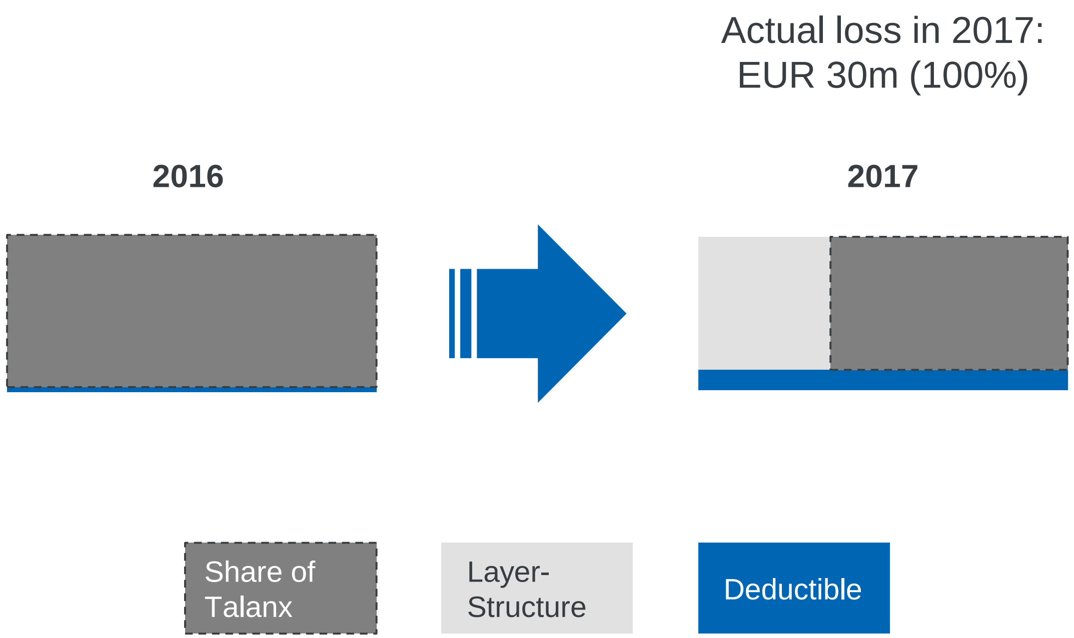
Lead mandate remained

Lead mandate retained and actual loss reduced by more than EUR 60 million

Portfolio optimisation – Example of actual loss reduction

3 Industrial Lines as a single insurer

Example: Reduction of overall risk exposure



1 Compared to the same loss under 2016 contract conditions

Contract information

Mid-market client, Germany

Overall loss in 2017 (100%):	~EUR 30m
Premium/exposure ratio improved in renewal 2016/17 by:	~+15%
Actual reduction of loss burden[1] (Talanx share):	**~EUR 12m**

Lead mandate remained

Lead mandate retained – share of actual loss reduced by ~EUR 12 million

Generating profitable growth – Opportunities for growth (2016-2022E)

By region

1 Germany	> EUR 300m
2 Europe (excl. Germany)	> EUR 500m
3 Rest of World	> EUR 500m

> EUR 1.3bn gross premium growth[1] until 2022

By client segment

> EUR 400m	Corporates
> EUR 600m	Mid market
> EUR 300m	SME[2]

Growth initiatives

- Cyber
- Online
- Other region- & client-specific initiatives

1 Organic growth only; currency-neutral; corresponding to mid-term target (3-5%) 2 Excluding Motor business

Expecting growth opportunities in all regions and all client segments

Generating profitable growth
1 Growth drivers in Germany – SME & mid market

Major growth drivers in Germany

- **Organic growth**
- **Cyber business**
- **SME & mid-market solutions**
  Products, sales channels, …
- **Internationalisation**
  Motor, Group accident

New products

Special products for selected niche industries:

- Dealers of agricultural machinery
- Drone insurance
- Travel insurance
- Sports insurance

Special products for small companies:

- e.g. Cyber+smart, I.Compact …

New sales channels

- Online sales
- Second-tier broker
- Tied agents (1200x)
- "Multipliers" as industry influencers and cooperation partners (e.g. TUI, Metro, Claas)

New Hub solutions

Centres of excellence established for selected industries:

- Food and beverages
- IT / Software
- Bio
- Sports insurance

GWP growth in Germany

- ~EUR 11m GWP growth since product launches for Drone insurance, Travel insurance, Sports insurance
- 2017E GWP growth Germany:
  - SME: +4.5%; mid market: +0.4%

Several initiatives have started to generate profitable growth in the German mid-market business

Generating profitable growth

2 Growth drivers in Europe (excl. Germany) – Regional offices

Major growth drivers Europe

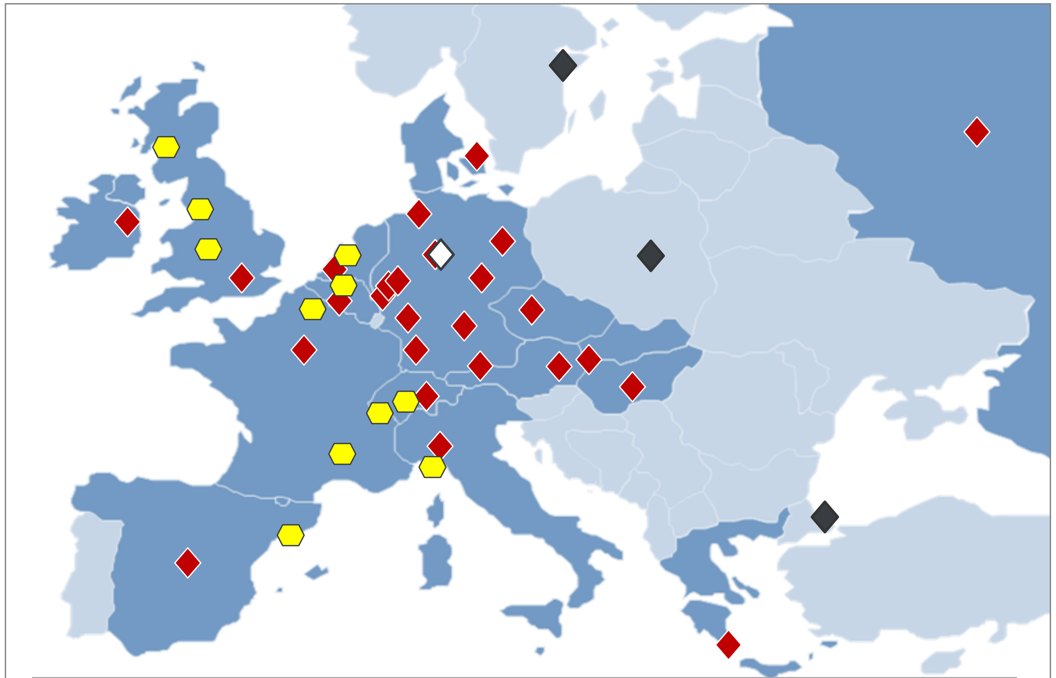
Focus on organic growth

Regional offices
Proximity to SME, mid market, 2nd & 3rd tier brokers

SME & mid-market solutions
Products, online sales, …

New LoBs
Cyber, sports, …

Locations & regional offices



◇ Head office ◆ Branch / subsidiary ⬡ Regional office
◆ Talanx Group servicing office

Comments

- Opening regional offices in selected European markets
- New offices in Genoa, Lyon, Glasgow (all 2016), Bern, Lille (all 2017) already operating successfully
- Focus on local clients and regional brokers

Investment in regional offices to tap growth potential of European mid-market business

Generating profitable growth

3 Growth drivers in Rest of World (I) – Case study Brazil

Major growth drivers in RoW

Organic growth
in all locations and lines of business

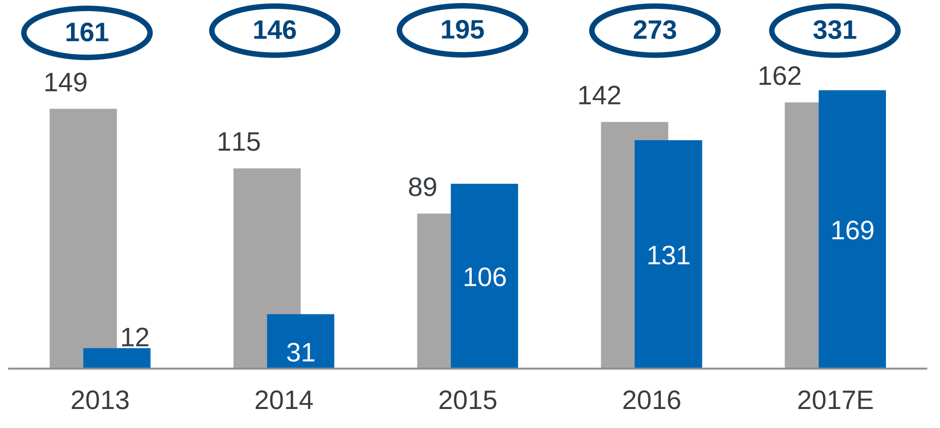
Inorganic & organic growth in target markets
Latin America, ASEAN, MENA, …

New locations / entities
USA specialty, Russia, Brisbane, …

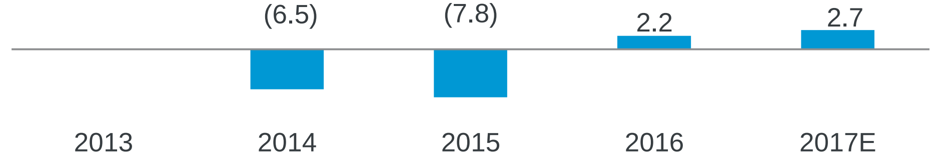
Cooperations with UW-Agencies
USA, …

Development of key figures: Brazil

GWP (in BRL m)[1,2]



Net Income (in BRL m)[3]



Comments

- Start of business operations via Retail International; own carrier founded in 2014
- HDI Global Brazil already with a strong position in business with local clients
- Ranks among top 10 of industrial insurers in Brazil in all lines underwritten by Industrial Lines
- Focussed and disciplined underwriting in an attractive market with attractive interest rate levels
- Net income break-even in FY2016

1 Incl. Initial industrial insurance premiums by Retail Interntational 2 IFRS 3 Net income only for HDI Global Seguros, since being established in 2014, no figures from Retail International included

Double-digit and profitable growth in Brazil – strongly developing business with local clients

Generating profitable growth
3 Growth drivers in Rest of World (II) – Case study North America

Major growth drivers in RoW

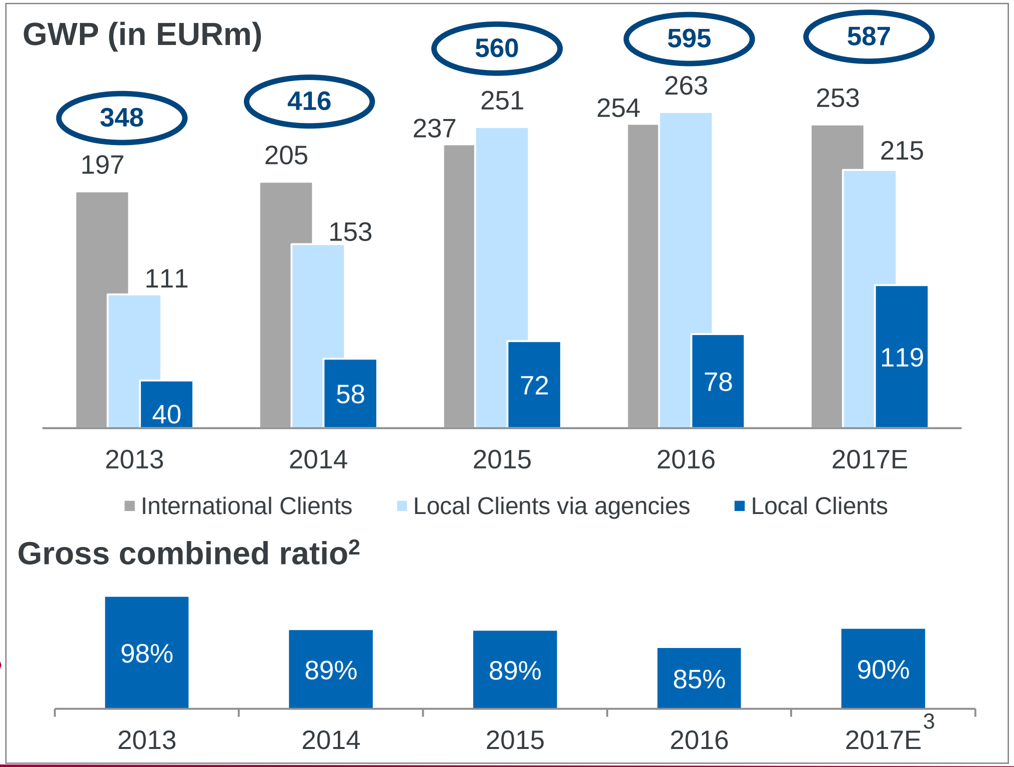
Organic growth
in all locations and lines of business

Inorganic & organic growth in target markets
Latin America, ASEAN, MENA, …

New locations / entities
USA specialty, Russia, Brisbane, …

Cooperations with UW-Agencies
USA, …

Development key figures: North America[1]



Comments

- Strategy to increase footprint and strengthen reputation among local clients
- Increasing product diversification by e.g. Cyber, Engineering, Marine, E&O and new distribution channels for mid-market clients
- Expansion of product range through HDI Specialty business
- Excellently positioned to contribute significantly to profitability
- In the US market cautious niche strategy avoiding an unprofitable me-too-approach

1 USA, Canada, Mexico 2 In local GAAP 3 Excluding hurricanes Harvey, Irma, Maria as well as earthquake in Mexico

Strong underlying premium growth at attractive combined ratio – local business set to gain pace

Generating profitable growth

3 Growth drivers in Rest of World (III) – Case study Asia Pacific

Major growth drivers in RoW

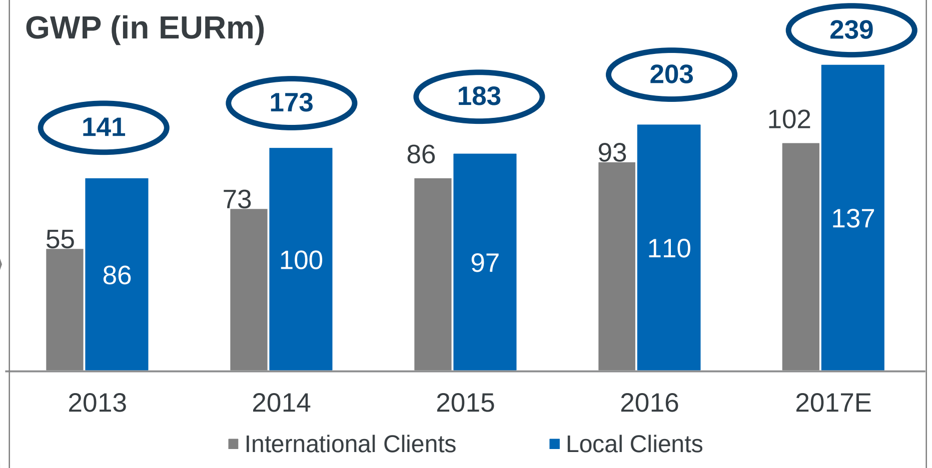
Organic growth
in all locations and lines of business

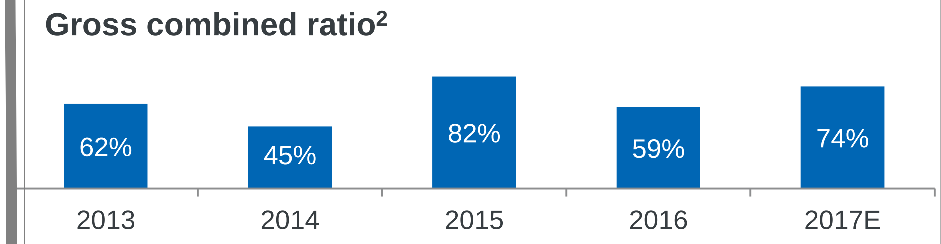
Inorganic & organic growth in target markets
Latin America, ASEAN, MENA, …

New locations / entities
USA specialty, Russia, Brisbane, …

Cooperations with UW-Agencies
USA, …

Development of key figures: Asia Pacific[1]





Comments

- Successful expansion in Australia, supported by new office openings in Melbourne (2015) and in Brisbane (2016)
- Regional hub strategy established by branch openings in Singapore (2012) and Labuan, Malaysia (2016)
- Strong technical approach in these markets allows for successful cycle management and above-average retention business
- Additional growth from introduction of new products (e.g.Cyber, Single Project Professional Indemnity) and new sales channels

1 Includes Australia, Japan, Hong Kong, Singapore

2 In local GAAP

Strong growth supported by international Programmes as well as local business – attractive combined ratios

Efficiency and processes – Long-term projects: IT along our value chain (examples)

1 one.PORTAL
Online sales and services to clients & brokers

2 one.PARTNER
For contacting clients/brokers: A unified worldwide partner database

3 Underwriting Tool
For know-how driven underwriting

4 one.POLICY
Worldwide unified policy data base & management

5 one.CLAIM
Worldwide unified claims system

6 eArchive
Electronic files w/ worldwide access

7 one.DATA
Internal reporting & analysis: daily updated global data warehouse

8 one.FLOW
For workflow management w/ optimised processes, automatic documentation and KPIs

Initiatives	
one.PORTAL:	1
E2E:	3
one.BIZ:	2, 4, 5, 6, 8
one.DATA:	7

Complete overhaul of IT infrastructure will improve service quality, risk management, business efficiency and profitability

Efficiency and processes – Benefits of digitalisation initiatives

Servicing clients and brokers	Portfolio steering	Efficiency / cost reduction
▪ Increasing customer satisfaction ▪ Improving reputation ▪ Strengthening current business position; achieving additional growth ▪ Exploring new business models	▪ Improving portfolio steering ▪ Improving underwriting result ▪ Improving reinsurance strategy ▪ Developing intelligent pricing tools	▪ Reducing amount of time & personnel per process / client ▪ Reducing IT-cost ▪ Reducing cost of compliance ▪ Reducing cost for external services / consultancy

Project costs

Investing ~EUR 200m in long-term projects (one.BIZ, one.DATA, E2E) between 2015 and 2021

Estimated impact from 2022 onwards:	**Expected GWP impact EUR ~50m p.a.**	**Expected cumulated reduction of combined ratio by ~ 1%pt**

Expected pay-back time of less than 10 years from 2022

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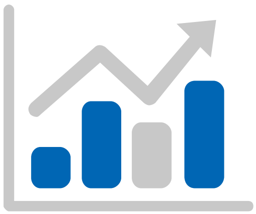
Key Messages

- “Balanced Book” proved to be successful in Germany
- Further improvements expected after international business has been included in Balanced Book program
- International business remains major growth driver
- SME/mid market strategy and addressing attractive niche-markets should further drive profitable growth
- Complete overhaul of IT infrastructure to produce substantial improvements in efficiency and competitiveness from 2022

Agenda

Focus of this presentation

Execution & Delivery



Additional measures to support achievement of KuRS targets

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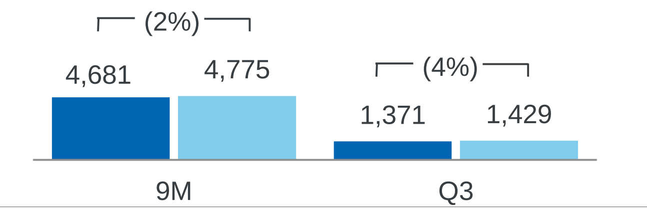
Key Messages

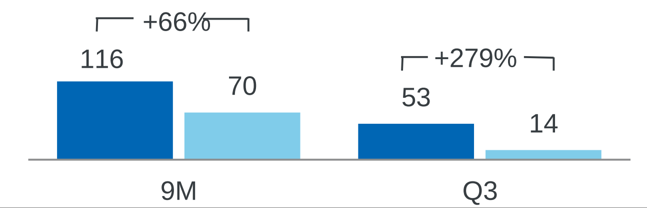
- The KuRS programme is ahead of plan. We confirm our EBIT target of ≥ EUR 240m p.a. from 2021
- Retail Germany's 9M 2017 results underpin our successful path to both de-risk the Life business and improve profitability in the P/C business
- De-risking Life is well supported by the shift to capital-efficient new business, stringent in-force management and disciplined asset management. Solvency II ratios for all carriers were well above 100% at 6M 2017 (excl. transitionals)
- P/C is back in growth mode – significant growth effects from both target businesses "Direct Motor" and "SMEs/self-employed professionals"
- Additional strategic initiatives implemented – clear focus on integration of digital applications and face-to-face services, supporting our KuRS targets in our aim to become a state-of-the-art agile digital insurer

9M 2017 results

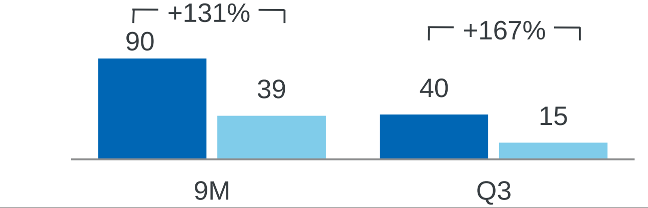
GWP



Operating result (EBIT)



Group net income



Retention rate in %

	9M		Q3	
	95.2	95.5	95.1	95.4

Combined ratio in %

	9M		Q3	
	100.3	103.2	98.1	100.3

RoE (ann.) in %

	9M		Q3	
	4.8	1.9	6.3	2.2

- Pleasing GWP growth in P/C segment, with the fourth quarterly growth in a row. At the same time, GWP reduction in the Life segment. In sum, 9M 2017 GWP slightly down
- Net underwriting in P/C markedly improved, more than offset by the decline in Life - the latter driven by higher RfB contribution mirroring the funding of the ZZR and by the policyholder participation in tax benefits. In total, net underwriting result down -6%

- Impact from KuRS costs affected the division in total by EUR 37m in 9M 2017 (9M 2016: 75m), the impact on EBIT was EUR 28m, significantly below the level of 9M 2016 (EUR 52m)
- As already mentioned in 6M 2017, EBIT was also burdened by the higher RfB allocation due to the pass-through of tax benefits to policyholders in Life. Nevertheless, divisional EBIT was up significantly due to the improved profitability in P/C business

- Divisional net income significantly up, predominantly reflecting the strong improvement in operating performance in P/C
- Significantly higher divisional RoE underpins that Retail Germany is well on track to increase profitability as targeted

EURm, IFRS ■ **2017** ■ **2016**

P/C segment re-confirms return to growth mode – Profitability in division significantly up

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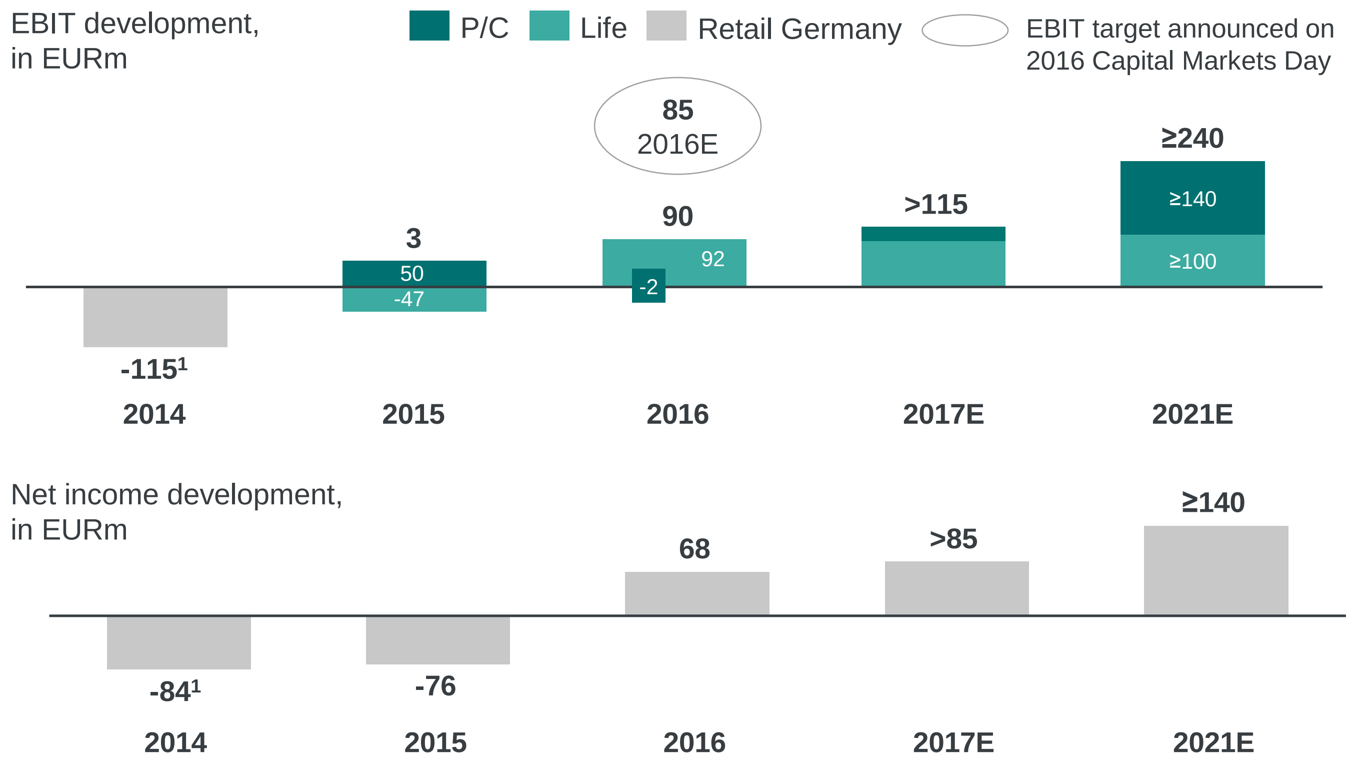
Overall development of Retail Germany

Our targets



1 Separate EBIT figures for Life and P/C segments only available for FY2015 onwards

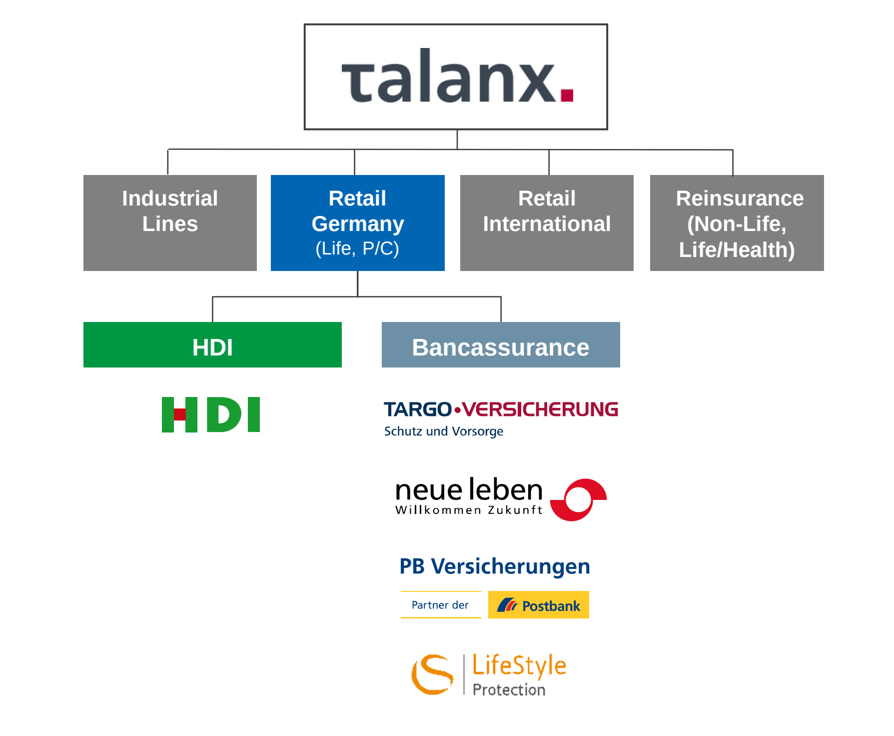
Comments

- After the management change in 2014, Retail Germany re-sharpened its focus on improving efficiency and profitability and de-risking of the Life book
- FY2016 EBIT slightly above the guidance announced on the Capital Markets Day in November 2016
- KuRS remains the key strategic element for Retail Germany, combining three strategic pillars: the de-risking of Life, a new P/C strategy and a focus on digitalisation and automatisation with priority on improving profitability
- For FY2017, we expect a divisional EBIT of EUR >115m and a net income of EUR >85m

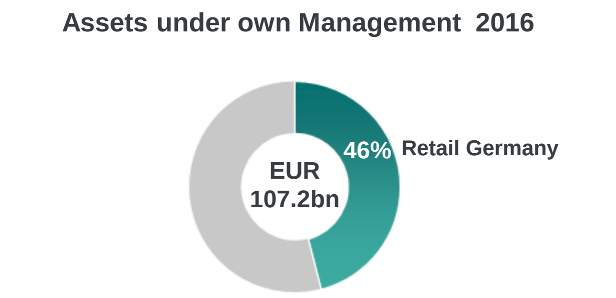
Turnaround of Retail Germany is ahead of plan – well on track to reach 2021 targets

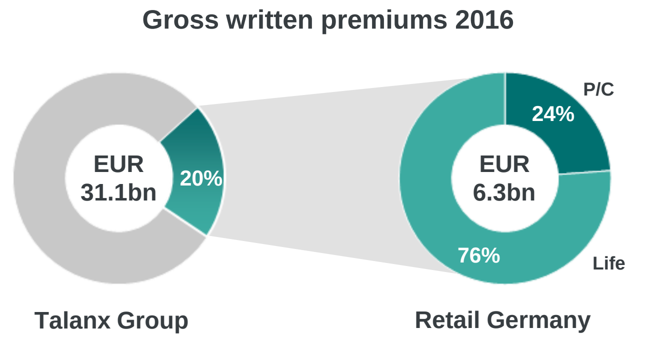
Overview – Group structure and share of business

Retail Germany within the Talanx Group



Share of business and business volumes





Life business accounts for the major part of Talanx‘s Retail Germany portfolio

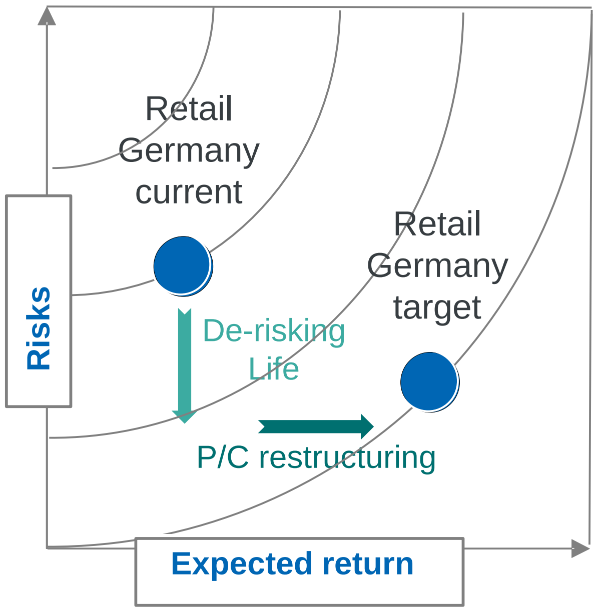
Review – Strategic initiatives for Life and P/C

Strategic initiatives

De-risking in Life
- New Business
- In-force Management
- Voyager4Life
- Asset Management

P/C Restructuring
- Selective Growth
- Claims Management
- Modernisation of IT & Processes

Overarching measures
- Overall Cost Management
- Digitalisation



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KuRS programme – Investment and cost reduction targets

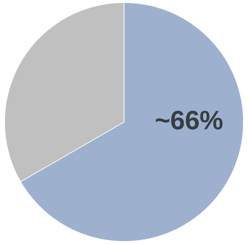
Investment and cost reduction status in 2017

Overall strategic Investment

~ EUR 420m

Investment budget

KuRS Die Zukunft sichern. VOYAGER4life



Invested[1]

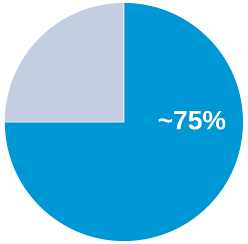
2017E

Investment KuRS

~ EUR 330m

Investment budget

KuRS Die Zukunft sichern.



Invested[1]

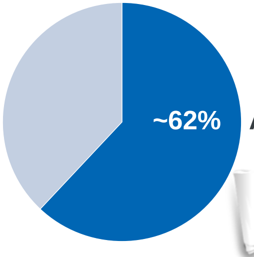
2017E

Cost Reduction KuRS

~EUR 240m

Strategic Target 2021E

KuRS Die Zukunft sichern.



Achieved

Initial planning ~40%

2017E

- Strategic projects on track. ~75% of KuRS and ~31% of Voyager4Life budget invested by end of 2017
- Target is to implement all initiatives in full by the end of FY2020, with the full cost benefit to be reached in FY2021
- Close to 62% of planned cost savings achieved. Savings ahead of plan allow for faster and higher investments into digitalisation projects

1 2017E, KuRS including personnel redundancy costs

Annual savings ahead of plan – KuRS and Voyager4Life spending are on budget

KuRS programme – Development of project scope

Development of scope

03/2015 – Kick-off of KuRS with ~300 projects

2016 – Additional strategic initiatives in 2016
- **Customer centricity** → **NPS[2] ~30**
- **Top claims management** → **Top-3-player in claims management**

2017 – Additional strategic initiatives in 2017 (further details follow in this presentation)
- **SME Digital**
- **bAV 3.0[1]**

Status quo

- All defined milestones reached on schedule
- Additional strategic initiatives added to the KuRS project portfolio in our aim of becoming a state-of-the-art agile digital insurer

1 bAV 3.0 is a strategic project focusing on company pension scheme business
2 Results are based on NPS (net promotor score) projects of HDI's P/C claims department and Bancassurance customer service

All defined KuRS milestones reached – additional measures added to speed up digitalisation

Mid-term targets from 2016 Capital Markets Day – Status update

Targets Retail Germany

Gross premium growth (p.a.) Life P/C	≥ 0% ~ 0% ≥ 3%
Cost-cutting initiatives to be implemented by end of 2020	~ EUR 240m
Combined ratio 2021[1]	≤ 95%
Life new business: share of traditional Life products by 2021 *(new business premium)*	≤ 25%
P/C: Growth in Property & Liability to SMEs and self-employed professionals by 2021[2]	≥ 25%
EBIT contribution (targeted sustainably from 2021)	≥ EUR 240m

Status update

✓ on track ⚒ in the works

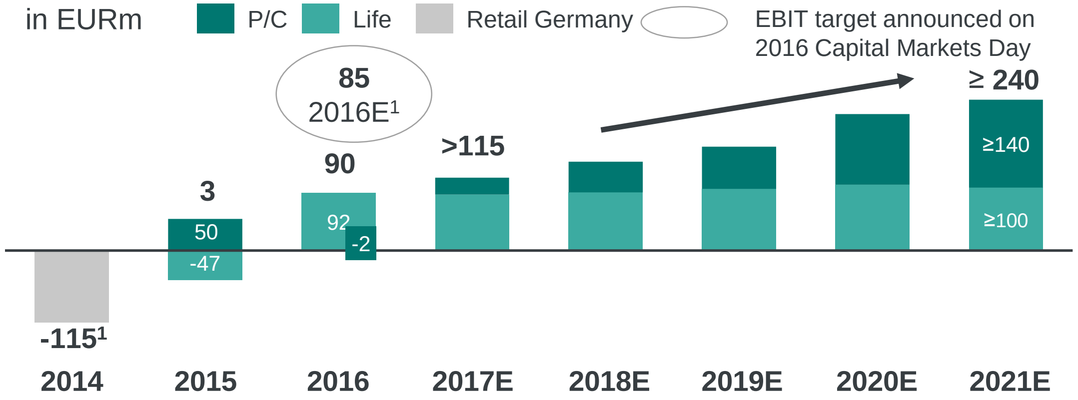
- ✓ Expected GWP decline in HDI Life (~-5%) likely to be compensated by business from Bancassurance Life (~+2%) as well as from Retail Germany P/C (~+1%)
- ✓ Cost reductions from 2015 to 2017E have outperformed initial plan by cumulated >EUR 100m
- ✓ Combined ratio still to be affected by KuRS investments. Positive impact from better loss experience supported by favourable cost effects
- ⚒ Customer demand for capital-efficient private pension products currently behind expectations. Strong growth in biometric business
- ✓ EUR 5m above guidance from 2016 Capital Markets Day
- ✓ FY2016 EBIT EUR 5m above guidance; FY2017 outlook further underlines the sustainability of EBIT growth

1 Incl. net interest income on funds withheld and contract deposits 2 Compared to base year 2014
Note: Targets are subject to no large losses exceeding budget (cat), no turbulences on capital markets (capital) and no material currency fluctuations (currency)

Overall positive development, in some areas even ahead of plan – well on track to reach FY2021 targets

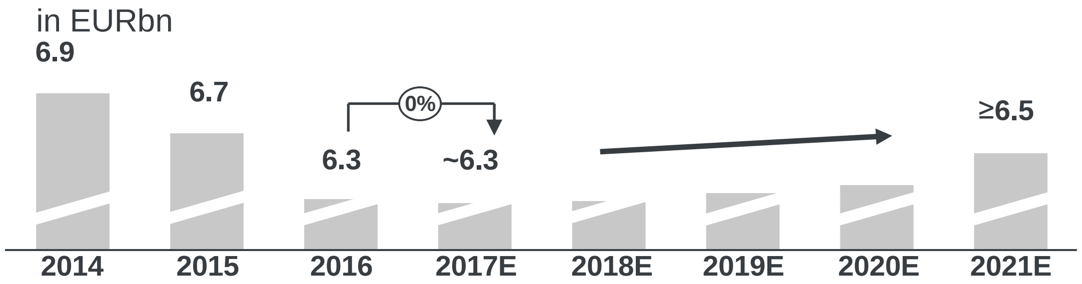
Retail Germany – Development of top line and profitability

EBIT development

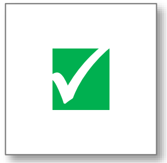


On track to reach 2021 targets

GWP development



On track to reach 2021 targets[2]



Comments

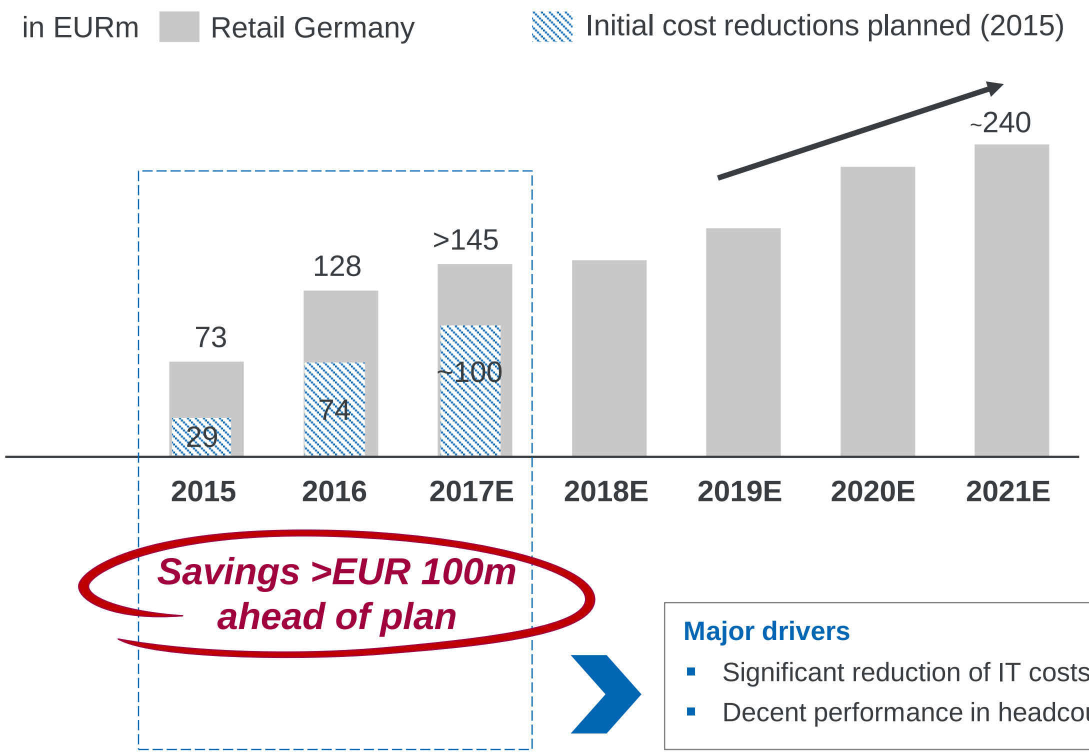
- 2016 EBIT of EUR 90m exceeding FY2016 guidance
- Tax benefits in Life supported 2016 and 9M 2017 net income but had a negative EBIT impact due to policyholder participation
- GWP expected to increase by ~1% p.a. by FY2021
- Expected GWP decline in HDI Life (~-5%) likely to be compensated by business from Bancassurance Life (~2%) as well as from Retail Germany P/C (~1%)

1 Published EBIT figures for Life and P/C Segments only for FY2015 onwards 2 Growth targets for P/C only. Life with pure focus on profitability targets

EBIT contribution in the run-up to FY2021 likely to exceed KuRS targets – outlook for FY2021 remains unchanged

Overall development of cost-cutting initiatives

Development of cost reductions



Major drivers

- Significant reduction of IT costs
- Decent performance in headcount reduction

On track to reach 2021 targets

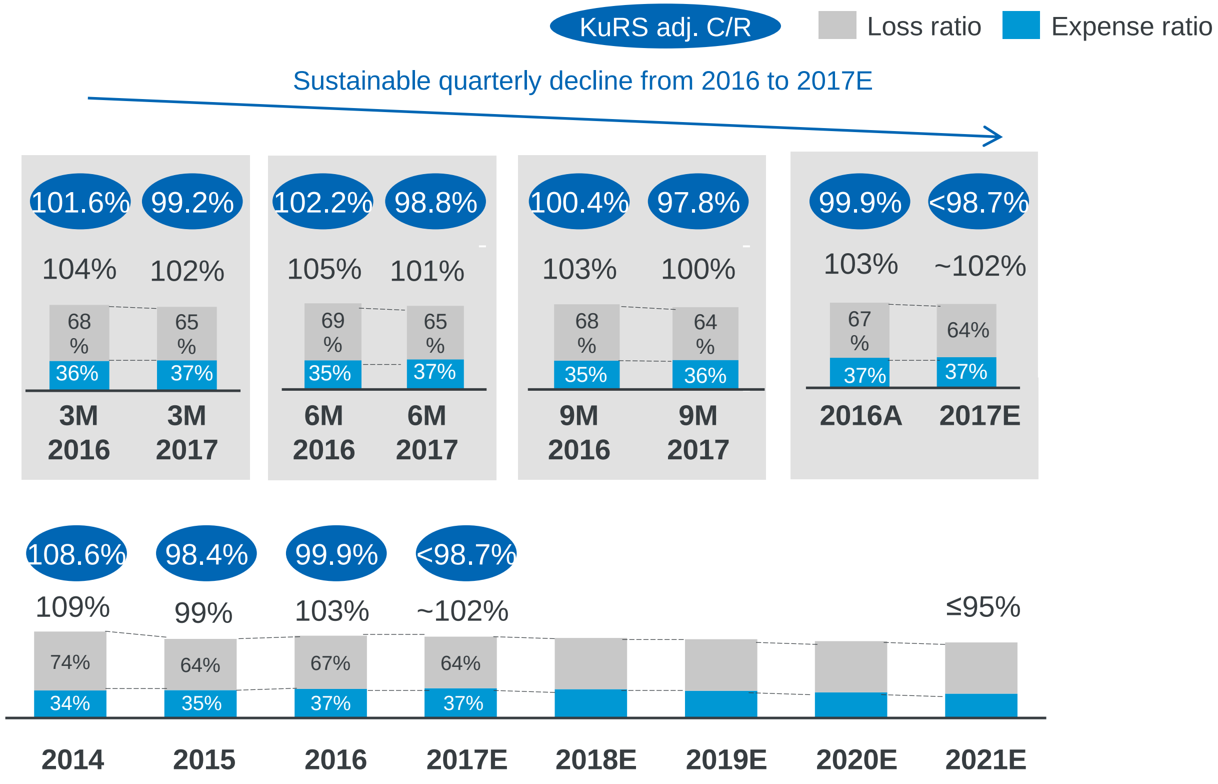
Comments

- Cost reduction measures are ahead of plan
- Cumulated cost reductions from 2015 to 2017E exceed initial plan by more than EUR 100m
- Overall cost target for 2021 remains unchanged at ~EUR 240m
- Completed negotiations with the works council concerning a social plan

A large proportion of KuRS cost reduction effects were realised earlier than initially planned

P/C combined ratio development

Combined ratio development



Comments

- P/C cost reduction measures are ahead of initial plan
- FY2016 combined ratio adjusted for KuRS costs already below the 100% level – helped by a better loss experience and further supported by positive cost effects

Major drivers

- Increasing share from SMEs and self-employed professionals as well as from Bancassurance leading to structurally higher commission ratio but simultaneously to a more favourable loss ratio; overall positive impact on combined ratio expected
- Cost reductions resulting from positive development of claims adjustment costs

Improvement of combined ratio to be supported by positive effects from cost reduction measures

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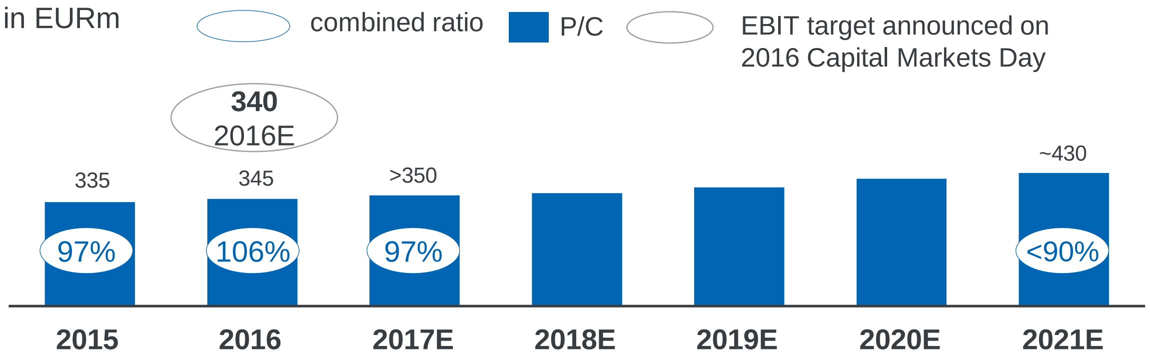
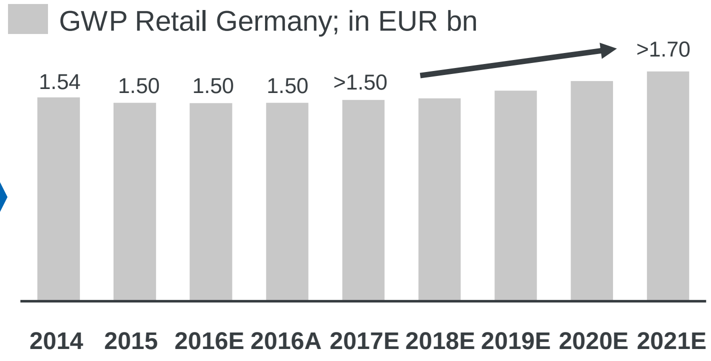
P/C growth in profitable segments

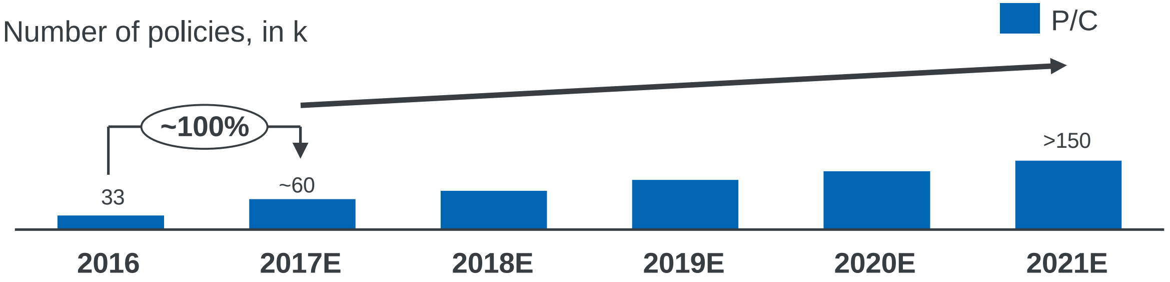
GWP development for SMEs/self-employed professionals



GWP development for P/C



Online contract growth for Direct Motor business



Comments

- SME and online direct business as major P/C growth drivers
- Outperformance vs. initial plan for both growth areas, SMEs/self-employed professionals and Direct Motor business

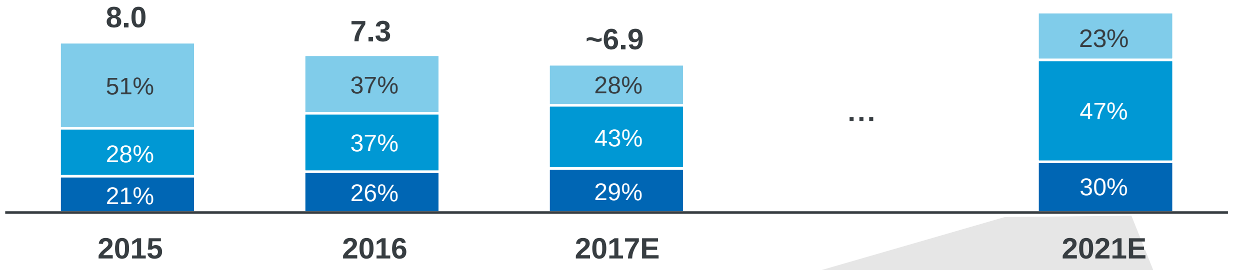
P/C turnaround ahead of initial KuRS plan due to strong growth in target businesses

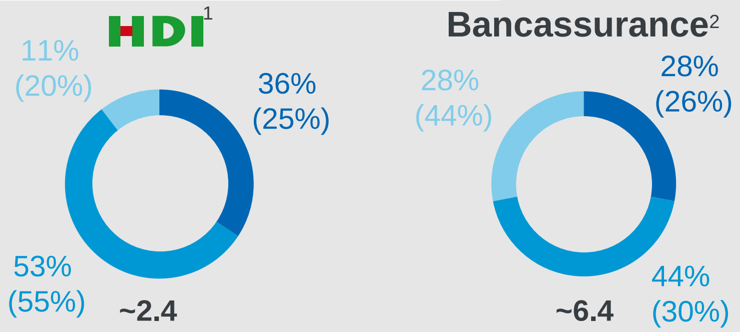
De-risking new business in Life

New business premiums in Retail Germany Life[1,2]

IFRS, in EUR bn

Biometric, Credit Life & Others | Capital-efficient | Non-capital-efficient





(2016 figures in brackets)

1 Only HDI Life excl. HDI Pensionskasse 2 PB Life, Targo Life and nl Life

Comments

- Positive development for biometric and credit life products
- Share of capital-efficient Life business below initial KuRS plan due to unfavourable commission level
- Almost half of traditional Life business in Bancassurance is profitable but categorised as non-capital-efficient due to high cost loadings of products

Share of non-capital-efficient products on track to reach FY2021 target of ≤ 25%

De-risking Retail Germany’s Life book – current status

Asset Management status

Comments

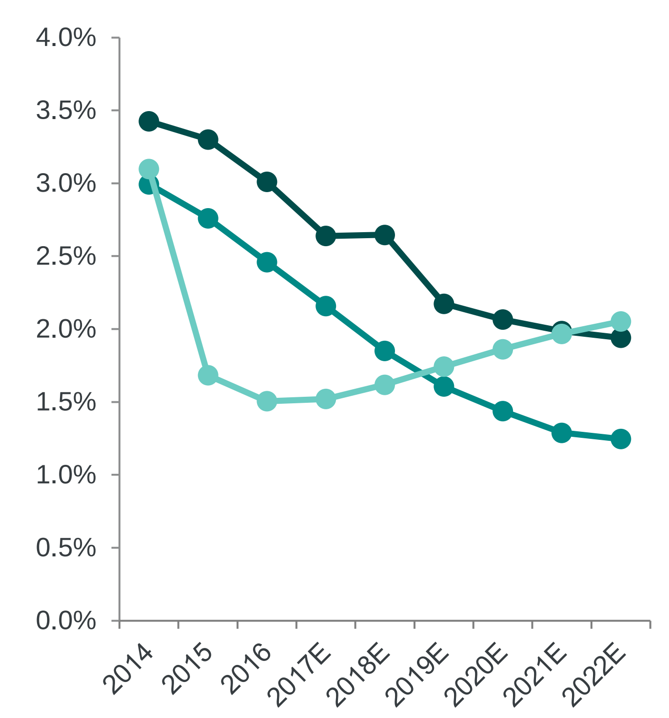
- Average fixed income reinvestment spread of 64 bp (HDI) and 57 bp (BA) over the 20-year AAA euro government benchmark achieved since 2012
- Average running yields expected to be sufficient in order to finance guarantees for policyholders[1]
- Remaining unrealised capital gains from investments expected to be sufficient to finance ZZR contributions

1 The fixed income reinvestment yield for 9M 2017 was 1.70% for HDI Life and 1.79% for Bancassurance

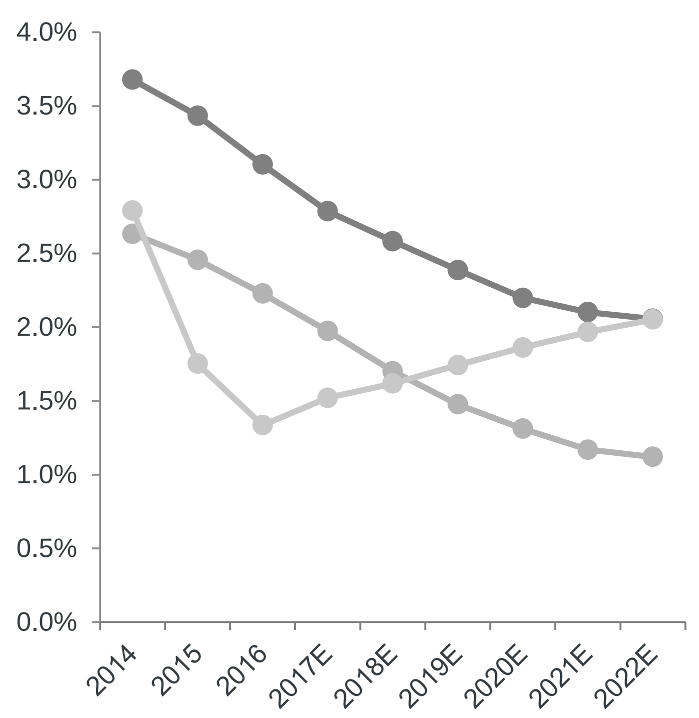
Overall de-risking in Life on track – relevant external influence factors in Life with positive development in 2017 – long-term outlook improved

Asset Management strategy – Comparison of average running yields versus average guarantee rates

HDI Life



Bancassurance



avg. running yields — avg. guarantee rates (incl. ZZR) — reinvestment yield (fixed income)

All numbers refer to German GAAP (HGB). Update based on September 2017 calculations/data

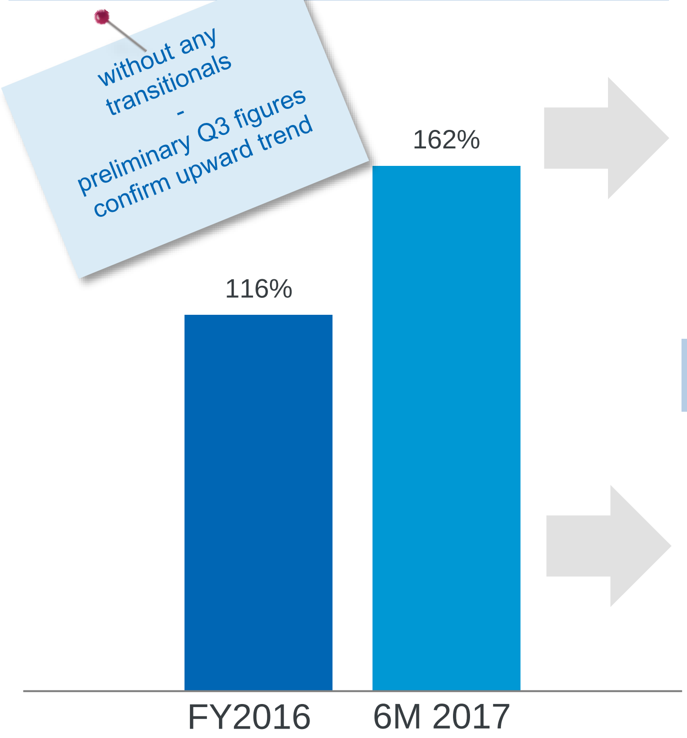
Comments

- The implicit market expectation for 20-year AAA euro government bonds plus 50 bp is taken as the assumed reinvestment yield for 2017-2022 in the two diagrams – e.g. 1.52% for 2017
- The fixed income reinvestment yield in 9M 2017 was higher at 1.70% for HDI Life and at 1.79% for Bancassurance
- The reinvestment yields mentioned above are already higher than the calculated average guarantee rates of 1.44% (HDI Life) and 1.31% (Bancassurance) for FY2020

Based on our assumptions, the average running yields will be sufficient to finance the guarantees for policyholders

Solvency II – CAR of German Life companies materially increased

Retail Germany Life



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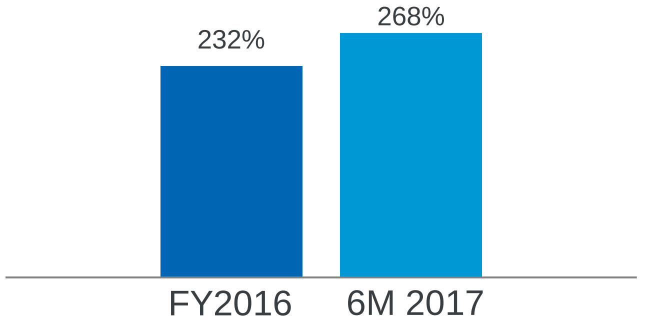
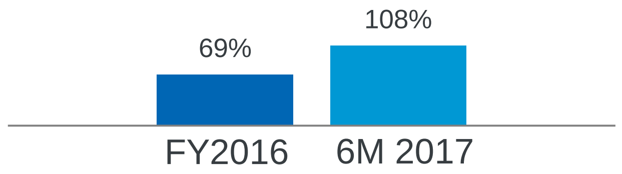


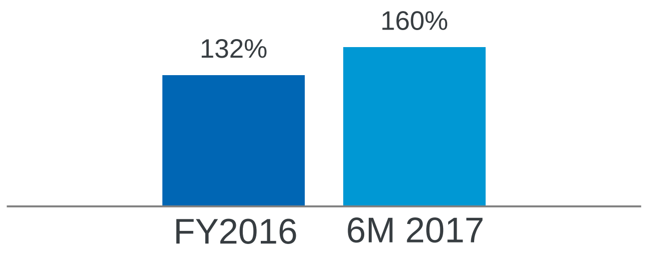
PB Versicherungen

Partner der Postbank

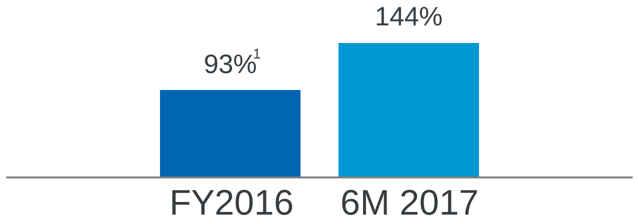


neue leben

Willkommen Zukunft



HDI



1 Not taking into account the binding undertaking entered into by Talanx AG in May 2017 to provide additional regulatory capital in the amount of EUR 100m. With this binding undertaking it stands at 103%

2 Basic Own Funds

Management action (de-risked investments, in-force management) in addition to the more favourable interest and spread environment lead to higher BOF[2] and reduce the SCR

Major external influencing factors for Retail Germany since Capital Markets Day 2016

Threats

- **Persistent low interest rate environment**
- **Costs for regulation**
- **Reputation of Credit Life Insurance**

Opportunities

- **German company pension scheme law**
- **Changing customer behaviour**
- **Digitalisation**

Impact from external market environment remains challenging, predominantly in Life business

Overview of additional strategic initiatives supporting KuRS programme

1 **Digital Roadmap**

2 **bAV 3.0**

3 **SME Digital**

4 **Digital BA**

Focused digital development aiming at investment efficiency

+

Fully integrated sales approach *(digital + face-to-face)*

KuRS – Die Zukunft sichern. **Ongoing strategic development**

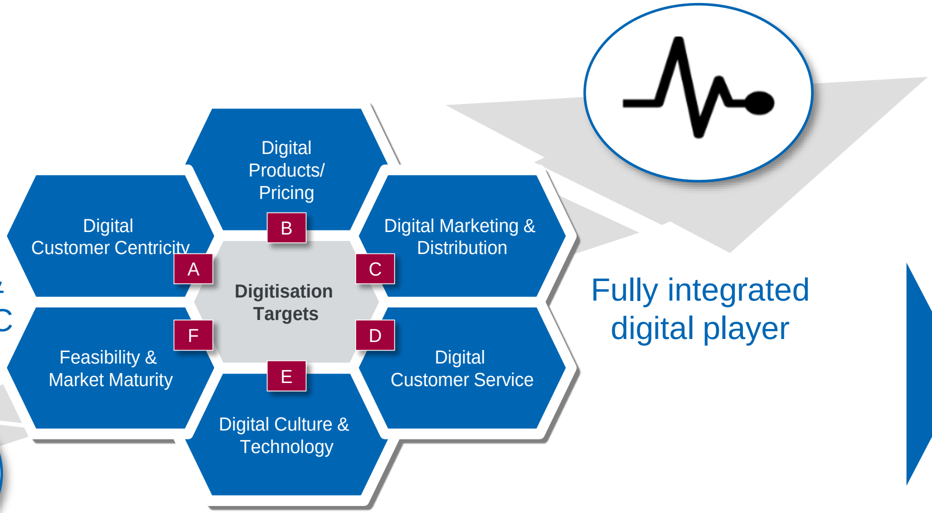
Combining digital initiatives and face-to-face distribution is Retail Germany's key to success, especially in B2B business

1 Digital roadmap of Retail Germany

Digital roadmap

De-risking Life & Restructuring P/C

KuRS
Die Zukunft sichern.



Fully integrated digital player

Clear focus & investment-efficient exploitation of digitalisation opportunities

Impact of digital initiatives (examples)

~ 110 Digital initiatives in total

Futura

Automation of **13 processes in 2017**, replacing **~7 FTEs ≙ 420 TEUR p.a.**

optiopay

Goal to improve NPS[1] to a level of ≥ 60

1 Net Promoter Score

Strategic agenda combines KuRS programme and digital roadmap, supporting investment efficiency

2 Regulatory influence on company pension scheme business

Key essentials of company pension scheme law (including Social Partner Model)

Additional state subsidies to support workers' pensions — **New law**

New legal requirements of major complexity — **High comple-xity**

Ability to waive guarantees for specific product segments — **De-risking**

Comments

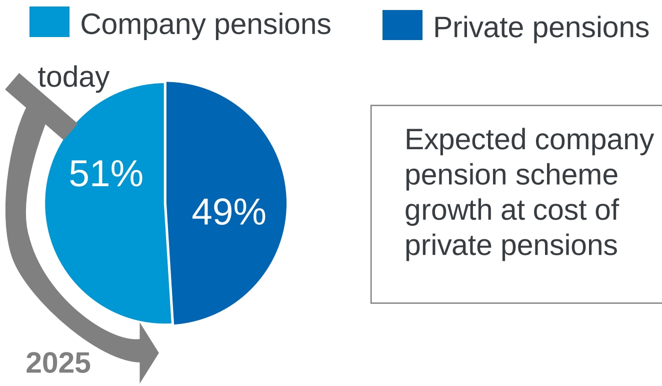
- Company pension scheme law set to be implemented to support low-income earners and liberal professionals
- Implementation of company pension scheme law is planned for 1 January 2018
- Implementation is influenced by current negotiations on the new German government coalition

New company pension scheme law offers significant upside for Life business, e.g. due to guarantee waiving

2 New company pension business in Germany – Market potential and approach for market entry

Expected consequences and market potential

Overall market product mix in 2025 – pensions new business[1]



Expected company pension scheme growth at cost of private pensions

Expected business potential for next 5-10 years:

- German market: APE EUR 5.8bn
- Retail Germany: APE EUR 220m (at an expected single-digit EURm investment)

1 OliverWyman, Insurance 2025

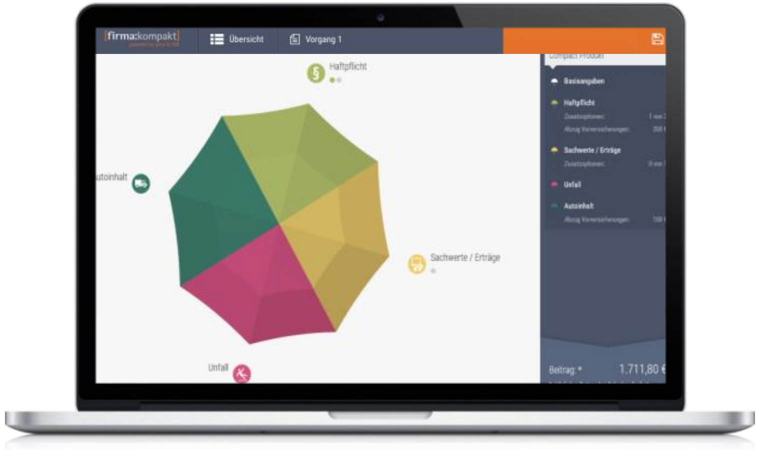
Retail Germany approach

- Retail Germany benefits from its existing capabilities and a strong market position for the company pension scheme business
- Direct distribution via tender process leads to competition in price and process efficiency
- Programme bAV 3.0 has been initiated – excellent position for Retail Germany to benefit from first-mover advantage
- Strategic concept aims at end-to-end process automation for customer advisory and contract administration
- Combination of three digital advisory and administration tools (digital advisor, robo-advisory, digital contract administration platform)

Retail Germany with promising opportunity to benefit from first-mover advantage given its existing strong market position

3 SME Digital initiative: Digital enablement of sales agents

Key essentials of SME Digital



- Background: SME advisory process is typically insufficiently supported by digital solutions
- “SME Digital” is a mobile-ready application supporting advisory of SMEs/self-employed professionals – and enables direct quotation
- Digitalisation initiatives, e.g. “SME Digital” help to improve advisory and service quality

Advantages of SME Digital (Version 2.0)

Flexible and easy-to-use product design

Online (real-time) quotation and underwriting

Fully automated processes: High efficiency – low costs

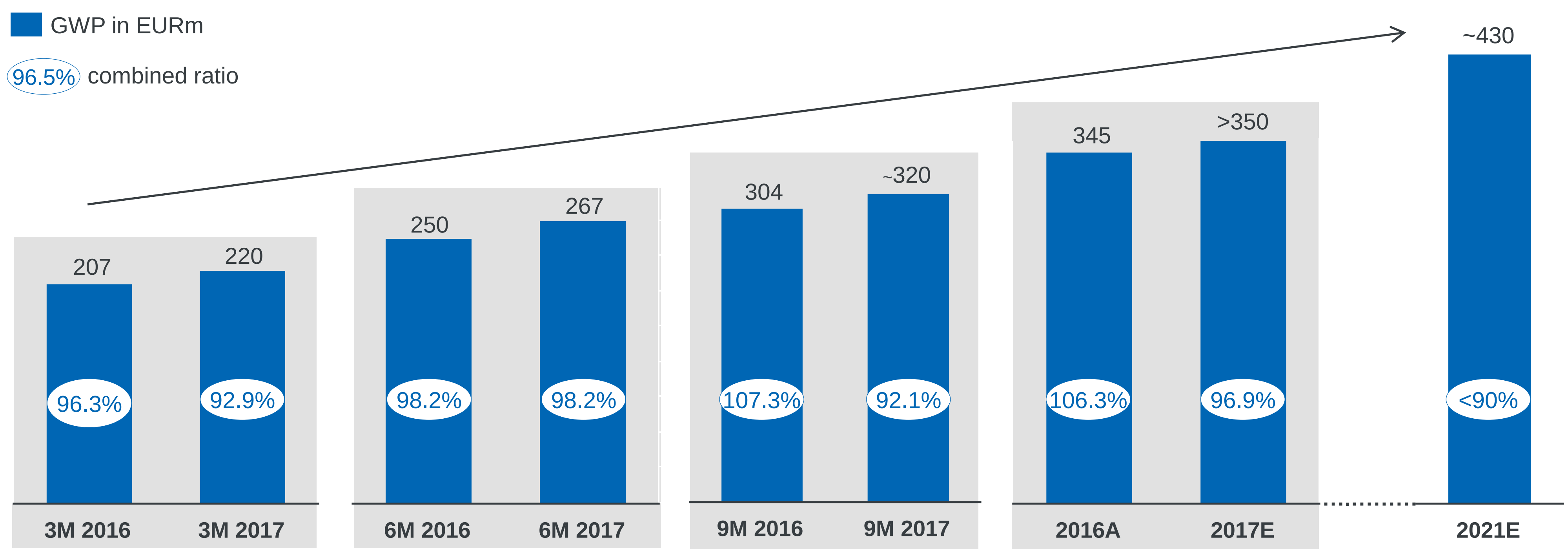
Excellent customer experience – Improvement of service level

SME Digital is an innovative tool to improve the face-to-face advisory process and back-office efficiency in the business with SMEs and self-employed professionals

talanx.

3 GWP growth from business with SMEs and self-employed professionals

Quarterly GWP development for SMEs/self-employed professionals



Focus on SME distribution shows sustainable results and supports overall P/C portfolio profitability improvement

4 Digital Bancassurance: Empowerment of banking partners (Example: Targo Versicherung)

Major strengths today…

- **Relationship**, based on **long-term collaboration** and **trust with TARGOBANK**
- **Award-winning products**, complementary to **TARGOBANK's portfolio**
- **Efficient processes, below-average cost ratio (~0.9% administrative costs)** through **state-of-the-art technology** and **integration in banking systems**
- **TARGO Versicherung (TAV) coach in each TARGOBANK branch** with insurance-related training and **certification for 3,500 employees exclusively** by TAV training department

…digitally enabled in future…

- **Further B2B distribution channels besides banks**
- **Digital-enabled sales coaching** (digital tools for analysis and administration)
- **Blended learning for TAB trainings** (integrated in TAB's HR system)
- **Contract administration and communication via online banking integration**
- **89% point-of-sale underwriting**

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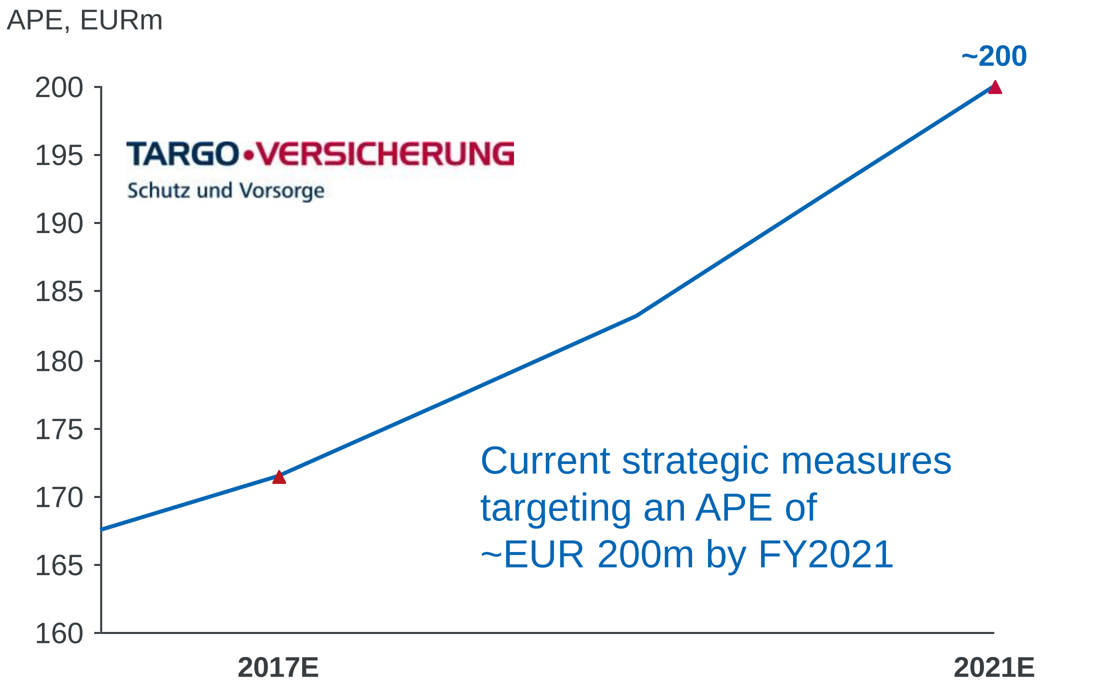
TARGO bases its success on the digital empowerment of a successful long-term Bancassurance partnership

4 TARGO Insurance Company growth development path

Growth development path



Comments

CAGR 2017-21E

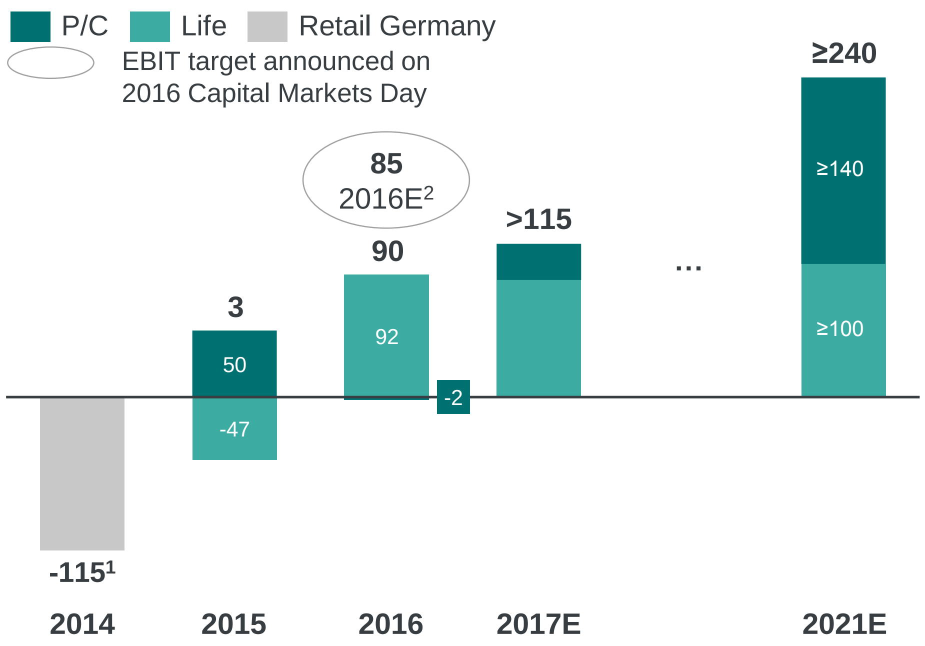
- **Capital-efficient private pensions** (e.g. index-linked products) — **~ +3% p.a.**
- **Accident insurance** — **~+3% p.a.**
- **Payment protection insurance** — **~ +2.5%**
- **Car dealership (gap insurance), device insurance, retailers** — **~ +50% p.a.**

Digital enablement of Bancassurance opportunities leading to above-average growth and stability

Key Messages

1. The KuRS programme is ahead of plan
2. Retail Germany's 9M 2017 results underpin our successful path to both de-risk the Life business and improve profitability in the P/C business
3. De-risking Life is well supported by the shift to capital-efficient new business, in-force management and disciplined asset management
4. P/C is back in growth mode – significant growth effects from both target businesses "Direct Motor" and "SMEs/self-employed professionals"
5. Additional strategic initiatives implemented – clear focus on integration of digital applications and of face-to-face services, supporting our KuRS targets in our aim to become a state-of-the-art agile digital insurer

EBIT development, in EURm



1 Separate EBIT figures for Life and P/C Segments only available for FY2015 onwards
2 EBIT 2016 was EUR 5m higher than estimated on Capital Markets Day 2016

Agenda

I	Group Strategy	Herbert K. Haas
II	Group Financials	Dr. Immo Querner
III	Retail International	Torsten Leue
IV	Industrial Lines	Dr. Christian Hinsch
V	Retail Germany	Dr. Jan Wicke
VI	Final Remarks	Herbert K. Haas

Final remarks – Key take-aways

- Our corporate agenda has proven consistent
- We deliver on what we promise
- We remain committed to further improve on our Primary Insurance
- We are well-positioned in our businesses and geographies to capture growth opportunities and to take advantage of hardening insurance markets
- Safeguarding the resilience of our Group to buffer unexpected claims frequency and severity is our top priority
- We focus on leveraging best-in-class digitalisation and behavioural pricing expertise throughout the Group

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