



tal anx.
Insurance. Investments.

Talanx Capital Markets Day 2021
Frankfurt, 17 November 2021

Schedule

I	Group Strategy	9.00 – 9.15	Torsten Leue
II	Group Financials	9.15 – 9.30	Jan Wicke
	Q&A - Group Strategy / Group Financials	9.30 – 10.00	
III	Industrial Lines	10.00 – 10.15	Edgar Puls
IV	HDI Global Specialty	10.15 – 10.30	Ulrich Wallin
	Q&A – Industrial Lines / Specialty	10.30 – 10.50	
	Coffee Break	10.50 – 11.00	
V	Retail International	11.00 – 11.15	Wilm Langenbach
	Q&A – Retail International	11.15 – 11.30	
VI	Retail Germany	11.30 – 11.45	Christopher Lohmann
	Q&A – Retail Germany	11.45 – 12.00	
VII	Final remarks	~12 noon	Torsten Leue

Agenda of the day

I	Group Strategy	Torsten Leue	
II	Group Financials	Jan Wicke	
III	Industrial Lines	Edgar Puls	
IV	HDI Global Specialty	Ulrich Wallin	
V	Retail International	Wilm Langenbach	
VI	Retail Germany	Christopher Lohmann	
VII	Final Remarks	Torsten Leue	

Since the last CMD two new leaders on the Talanx Board

Edgar Puls
Industrial Lines



Jean-Jacques Henchoz
Reinsurance



Wilm Langenbach
Retail International



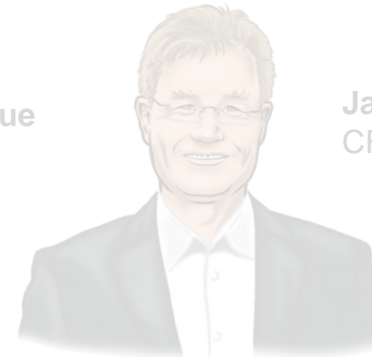
Christopher Lohmann
Retail Germany, IT



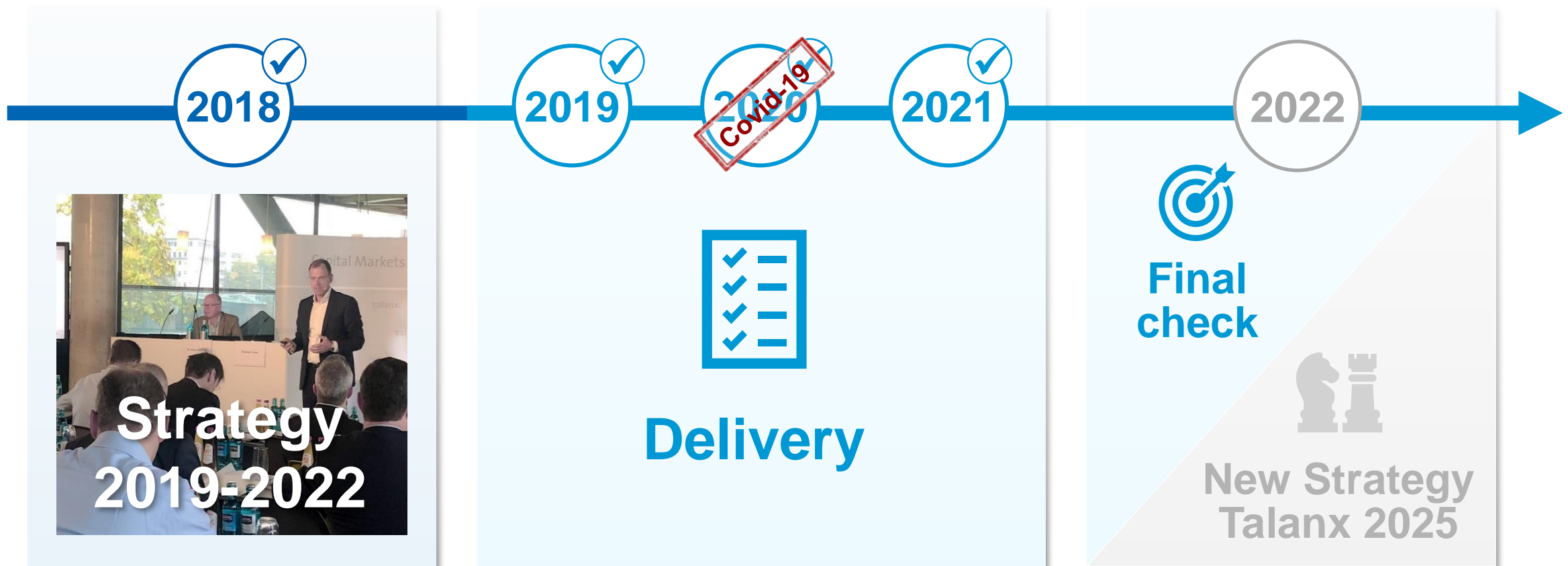
Torsten Leue
CEO



Jan Wicke
CFO



Talanx Group Strategy update 2021



Our three promises 2019 - 2022

Targets

1 Return on equity

≥800bp
above risk-free rate



**High level of
profitability**

2 EPS growth

≥5%
on average p.a.



**Profitable
growth**

3 Dividend payout ratio

35% - 45%
of IFRS earnings
DPS at least stable y/y

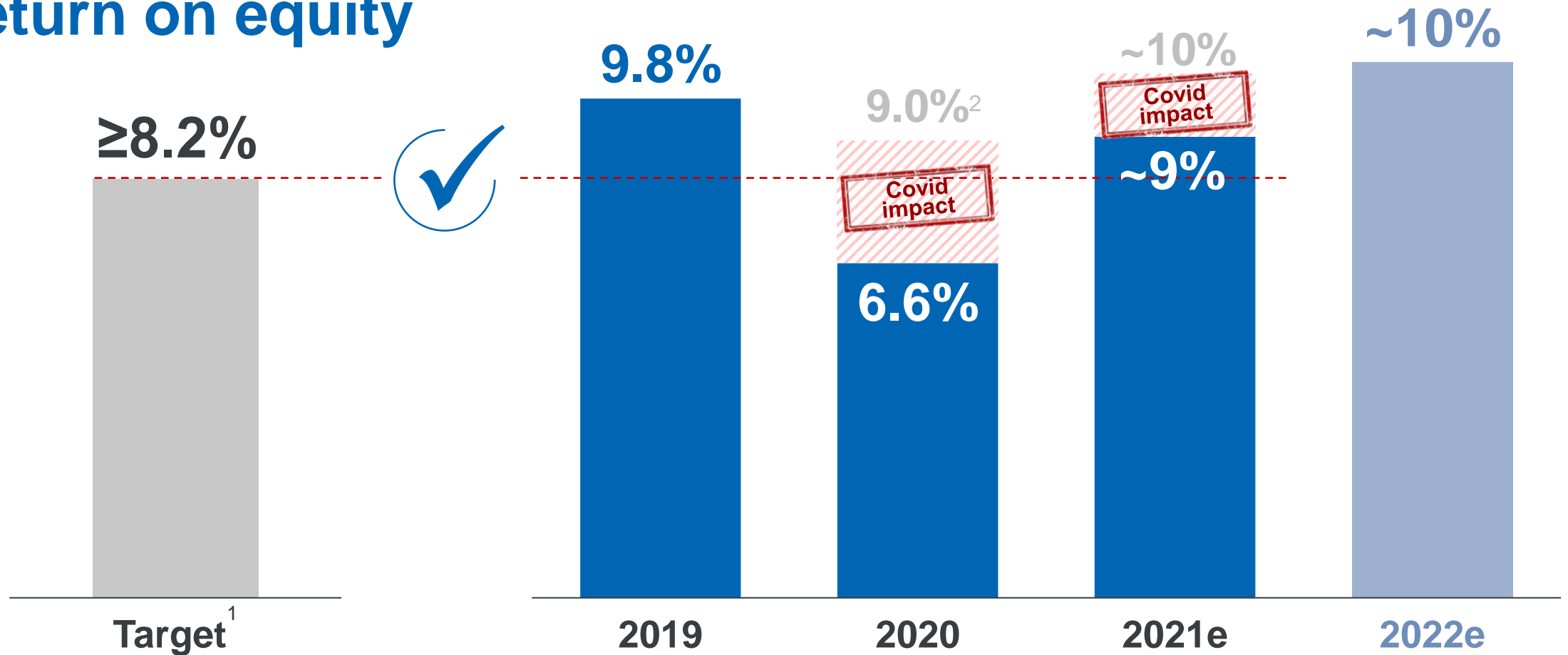


**Attractive
payout**

Note: Targets are relevant as of FY2019. The risk-free rate is defined as the 5-year rolling average of the 10-year German Bund yield. EPS CAGR until 2022 (base level: original Group net income Outlook of ~EUR 850m for 2018). Targets are subject to large losses staying within their respective annual large-loss budgets as well as no occurrence of major turmoil on currency and/or capital markets

1 High level of profitability ...

Return on equity

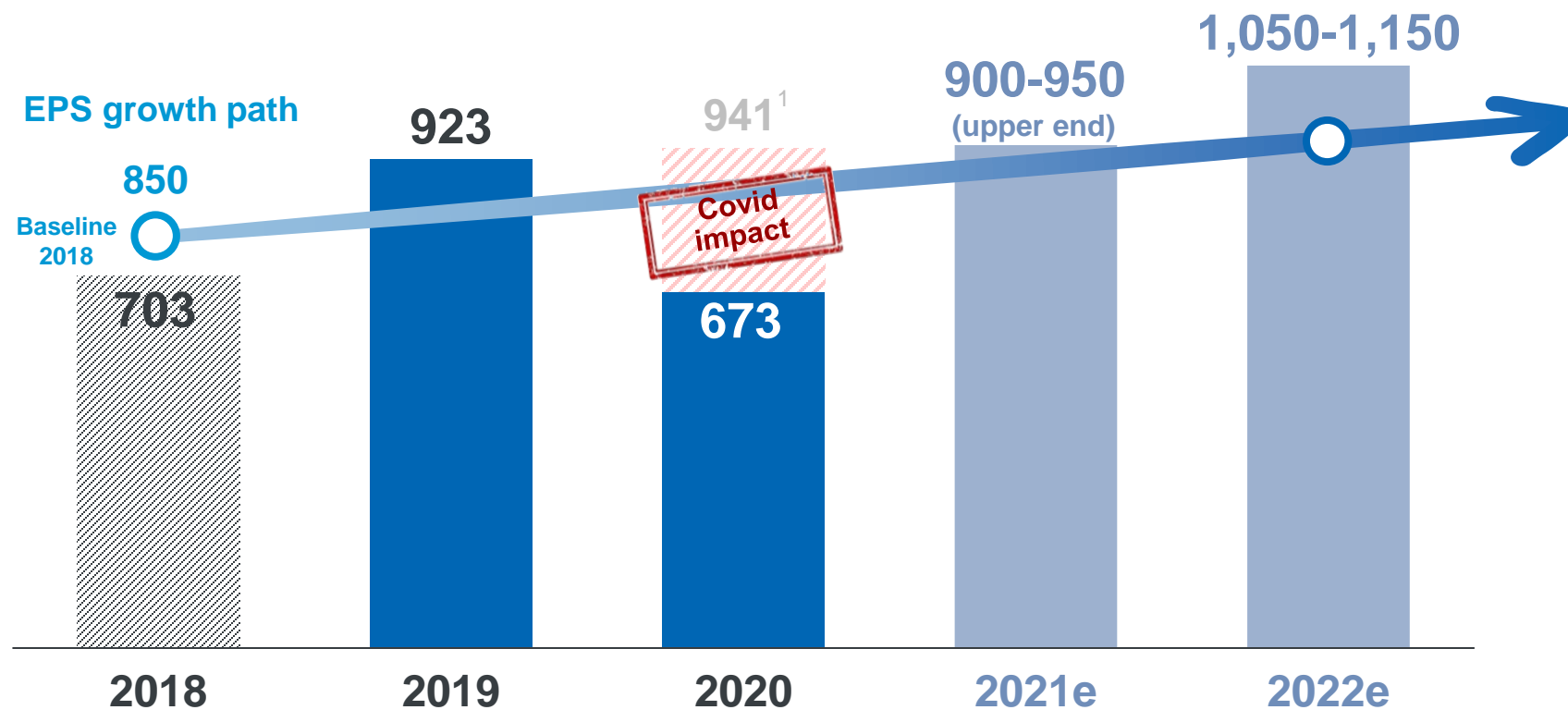


¹ ≥8% above risk-free rate; average risk-free rate 2019-2020: 0.16%. ² Adjusted for negative corona effects (EUR 486m) and positive special effects (EUR 218m) in 2020.

2 ... mainly driven by EPS growth above 5%

Net income development

in EURm



Target

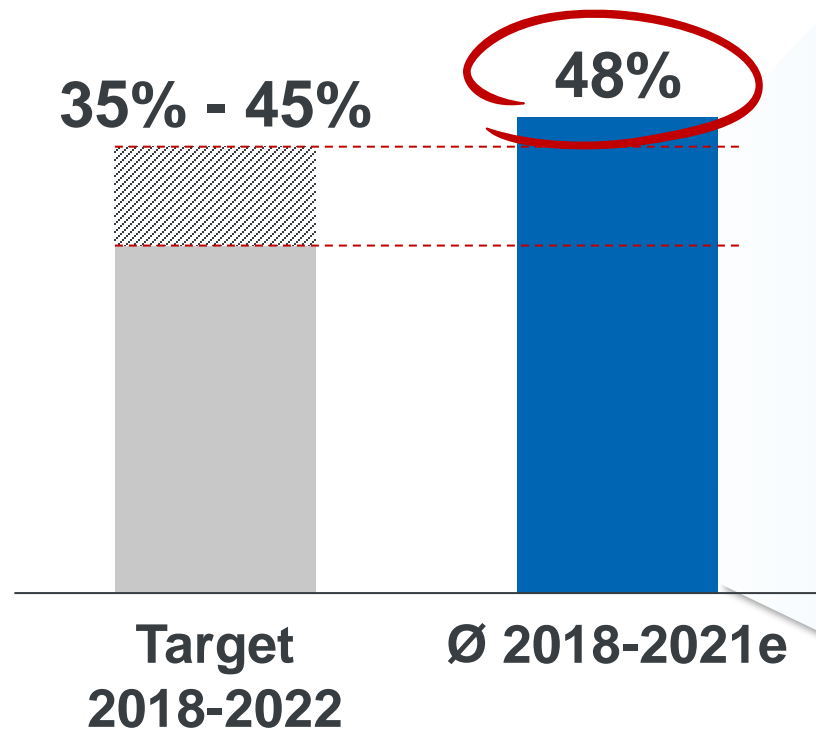
EPS² growth
≥5%
on average p.a.



1 Adjusted for negative corona effects (EUR 486m) and positive special effects (EUR 218m) in 2020. 2 assuming stable number of shares outstanding

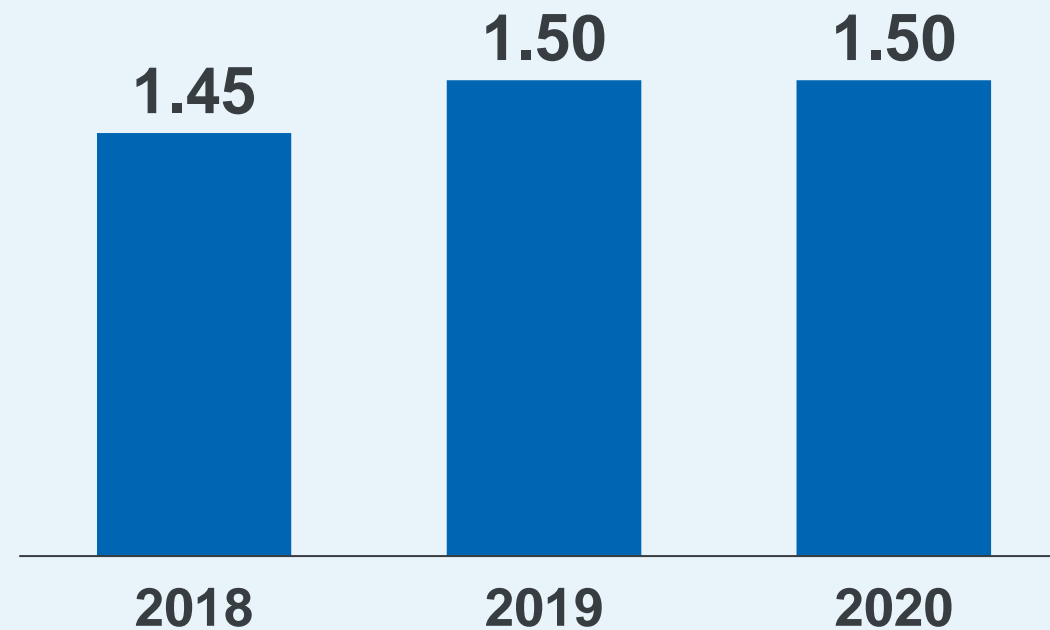
3 Payout ratio nearly 50% – stable DPS secured despite Corona crisis

Dividend payout ratio



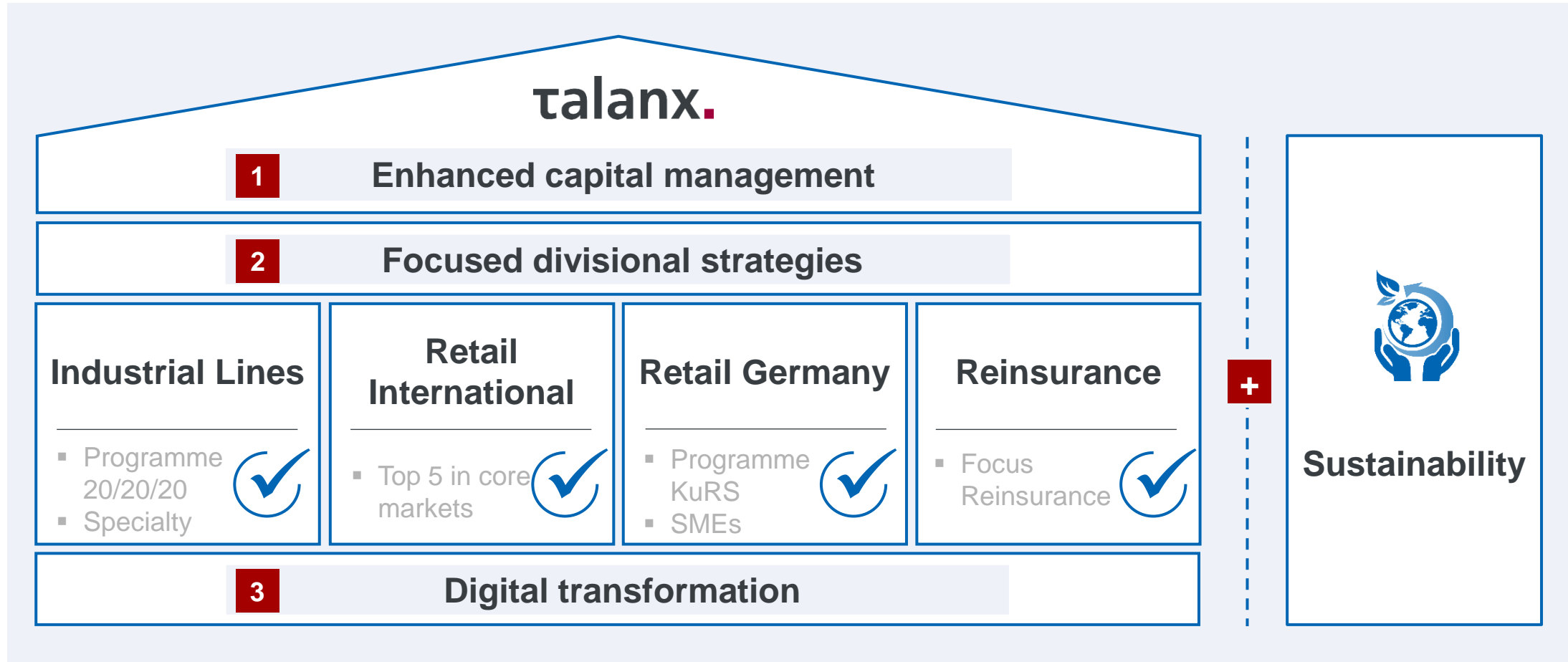
Stable dividend secured

Dividend per share (DPS) in EUR



Note: Dividend proposal for 2021 subject to board and AGM approval

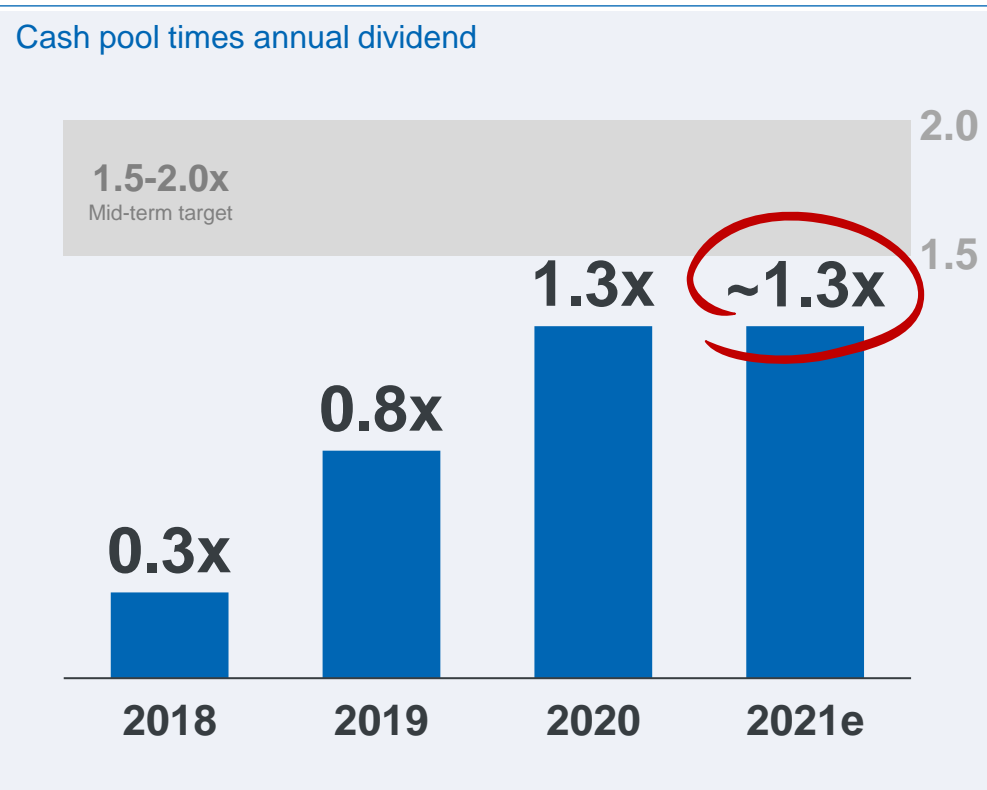
Delivery on our strategy



1 Enhanced capital management

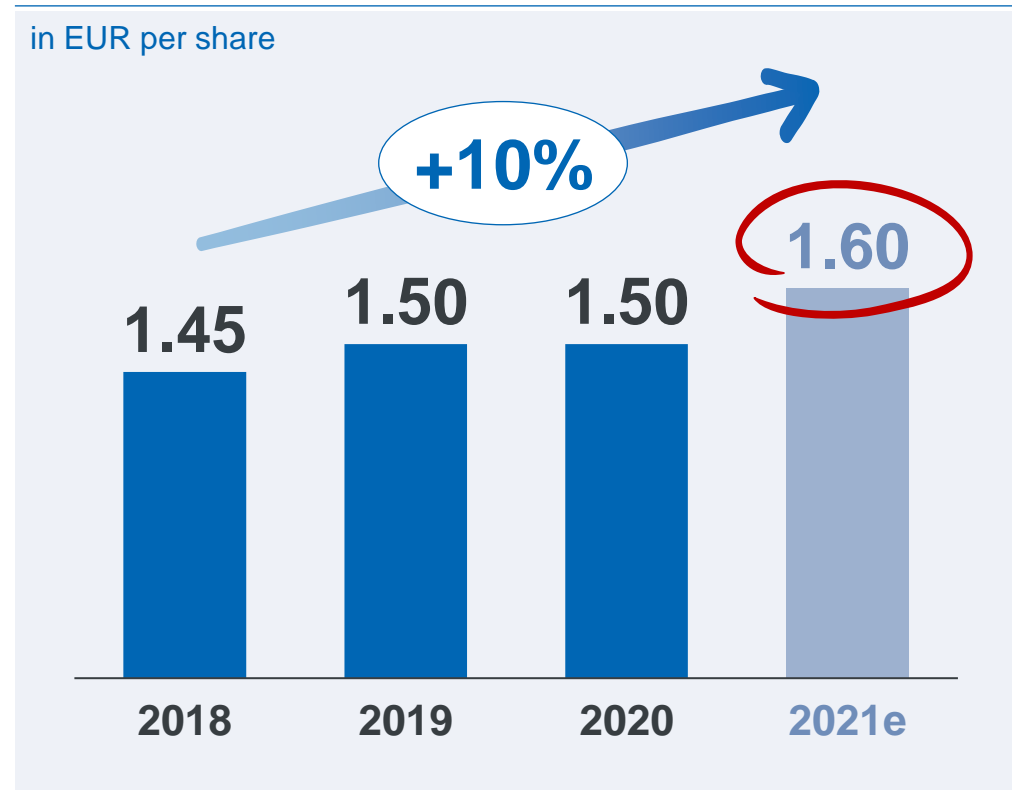
Growing cash pool and growing dividend

Growing cash pool



Note: Target dividend coverage ratio (retained profits brought forward under German GAAP divided by annual dividend) is ~1.5-2 times

Growing dividend

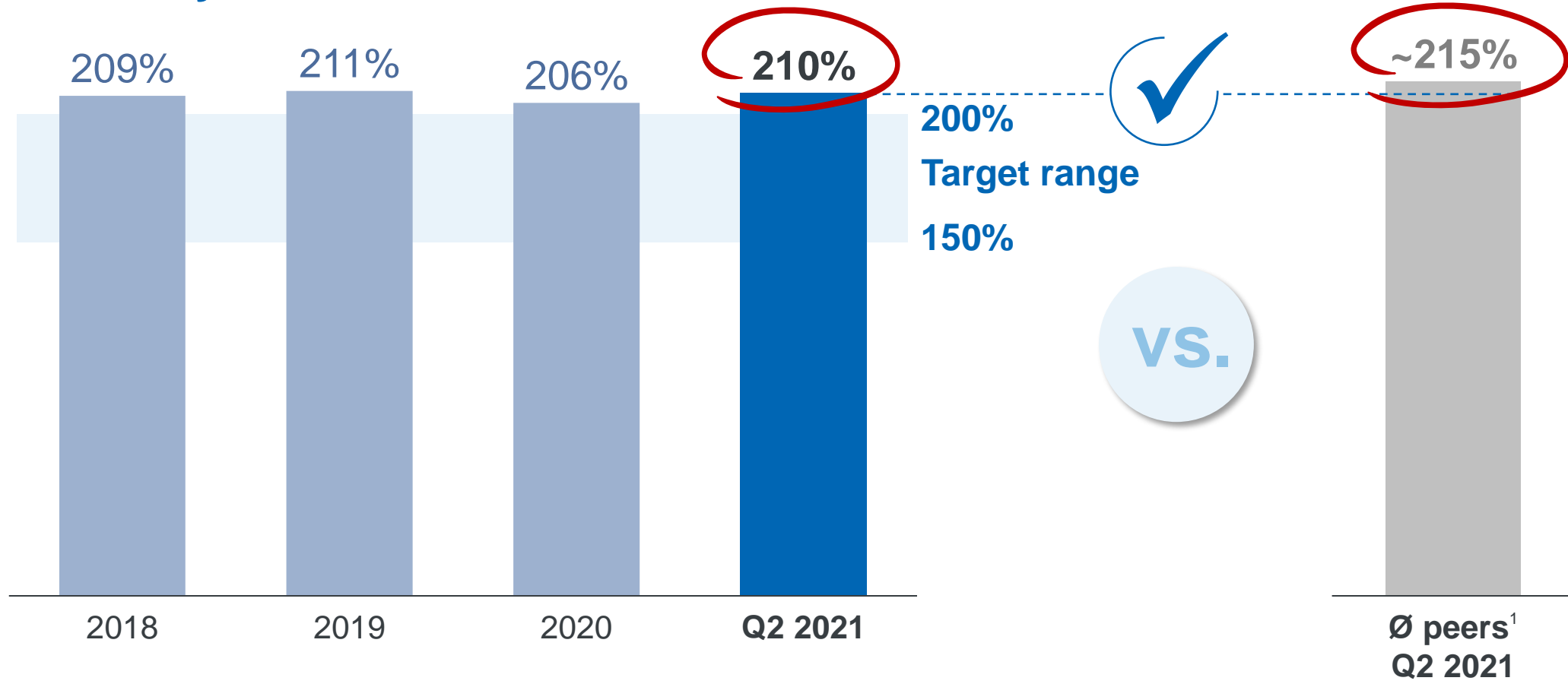


Note: Dividend proposal 2021 subject to board and AGM approval; Dividend yield Ø 2018-2020: 4.3%

1 Enhanced capital management

Strong capitalisation in line with peers

Solvency ratio

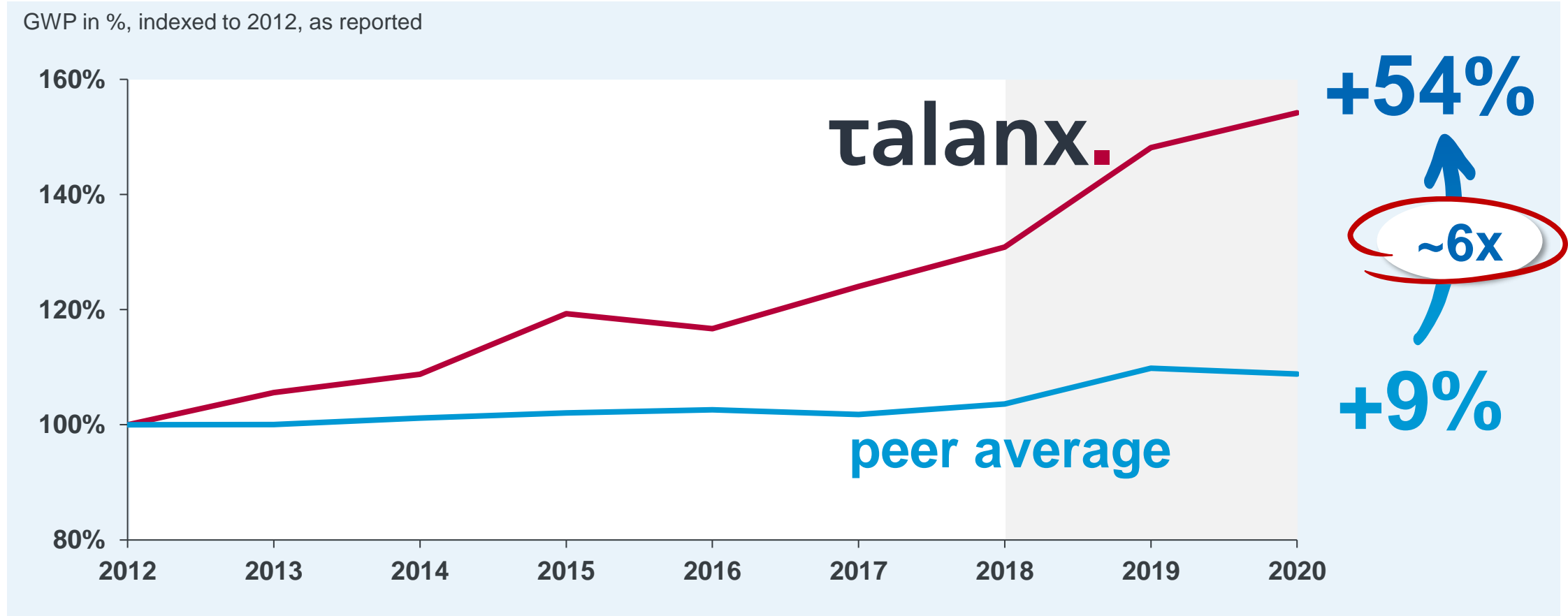


Note: Solvency 2 ratio as of period end excluding transitional measure. 1 Peer group: Allianz, AXA, Generali, Mapfre, Munich Re, VIG

2 Focused divisional strategies

Strong growth – we continue profitable growth above peer average

GWP development since IPO



Note: Talanx peer group: Allianz, Munich Re, AXA, Generali, Mapfre, Swiss Re, VIG, Zurich

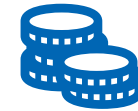
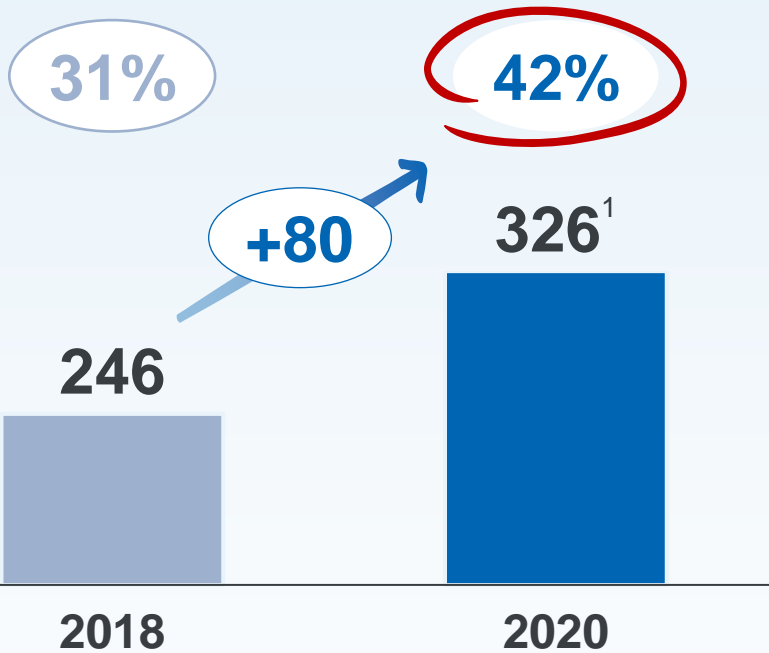
2 Focused divisional strategies

Increased primary insurance profit share and improved resilience



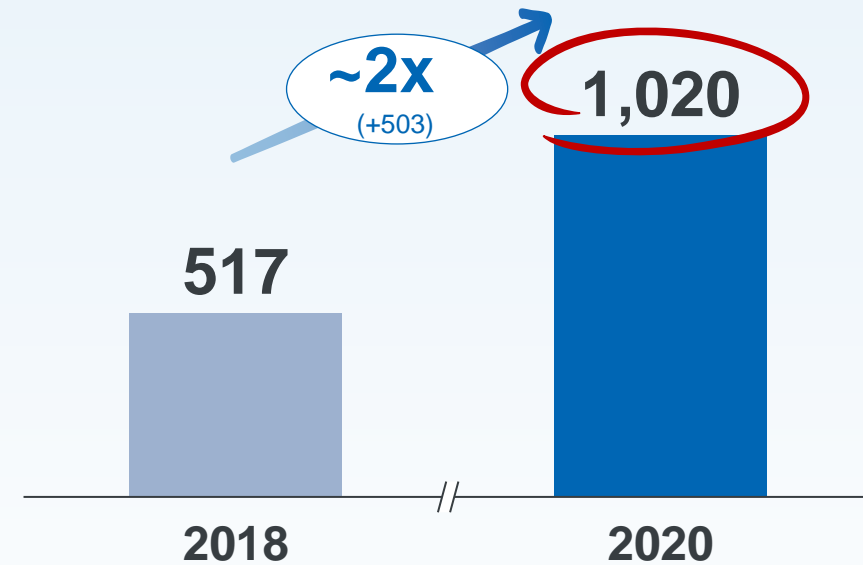
Primary insurance profit

Primary insurance net income in EURm and total profit share in %



Improved primary resilience

Primary insurance resiliency reserves over WTW, in EURm



Note: Profit share = Net income attributable to shareholders in % of Talanx Group net income (excluding Corporate Operations and Consolidation)

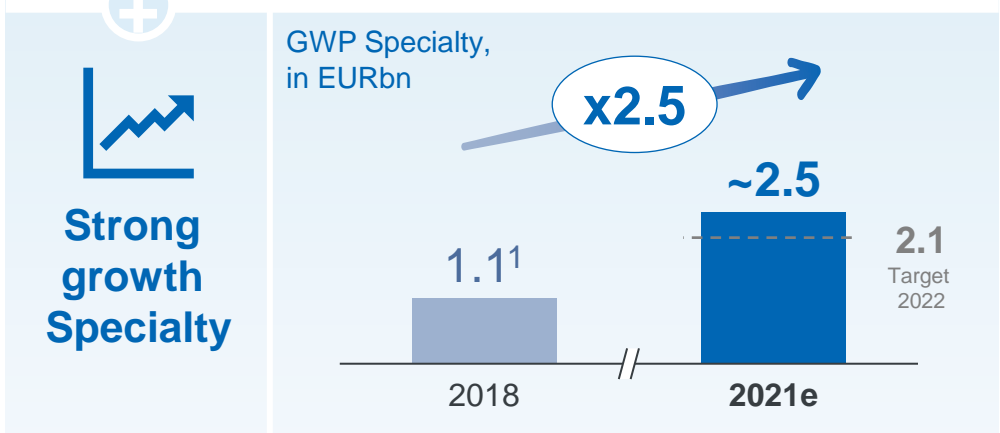
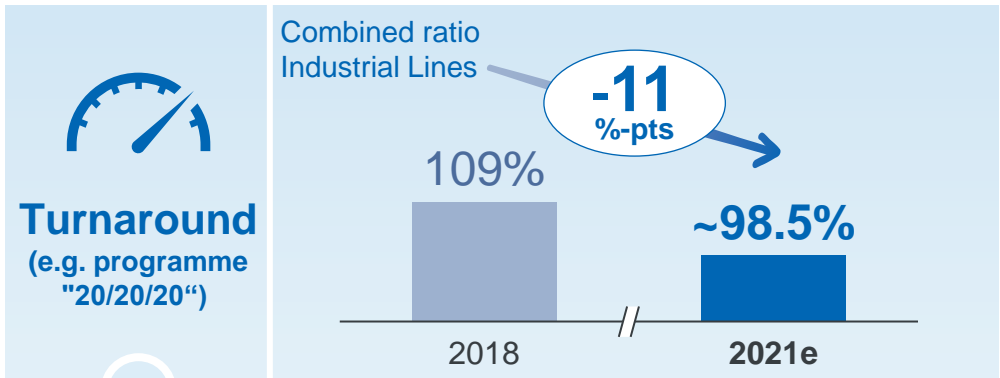
¹ Adjusted net income (excl. negative corona effects and positive special effects): EUR 416m

Note: Resiliency reserves of Primary Group (excluding Talanx AG) embedded in best estimate; Source: Willis Towers Watson (WTW) calculation based on data provided by Talanx. The scope of the estimate includes only analysed share of reserves. See also appendix to CFO presentation.

2 Focused divisional strategies – Industrial Lines

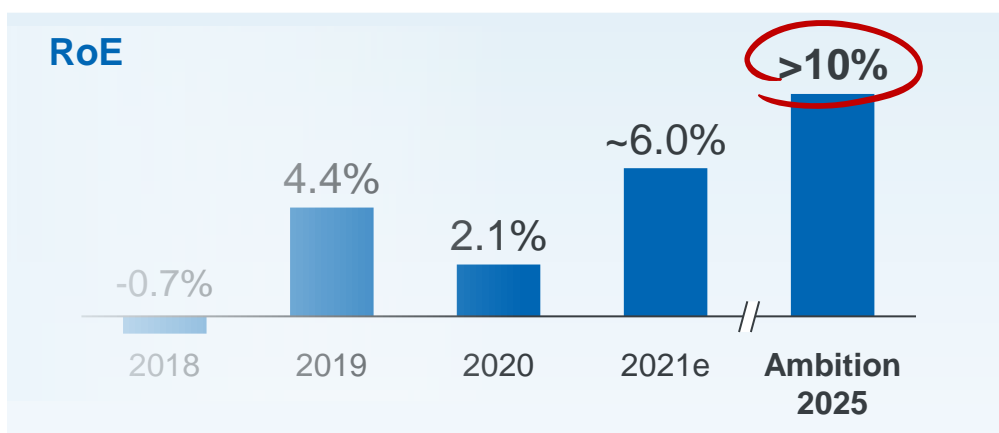
Delivered on "20/20/20" and initiative Specialty – now path to double-digit RoE

Promise delivered Our way forward



HDI 4.0
Global

- Double-digit RoE
- Global specialty player
- Leading innovation partner




Note: RoE = Return on equity; Group RoE target: ≥ 800bp above risk-free rate. 1 As if consolidated into Industrial Lines

2 Focused divisional strategies – Retail International

Top 5 position in 4 motor markets – now targeting double-digit RoE

Promise delivered Our way forward



Motor: 4 out of 5

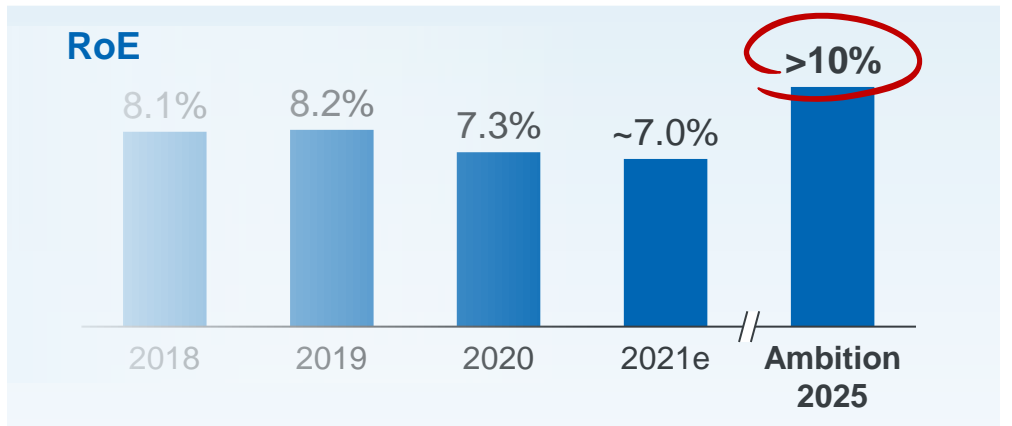
Top 5



Note: Market rankings as of June 2021

HINextT 2025

- Double-digit RoE
- Top 5 in P&C in Core Markets

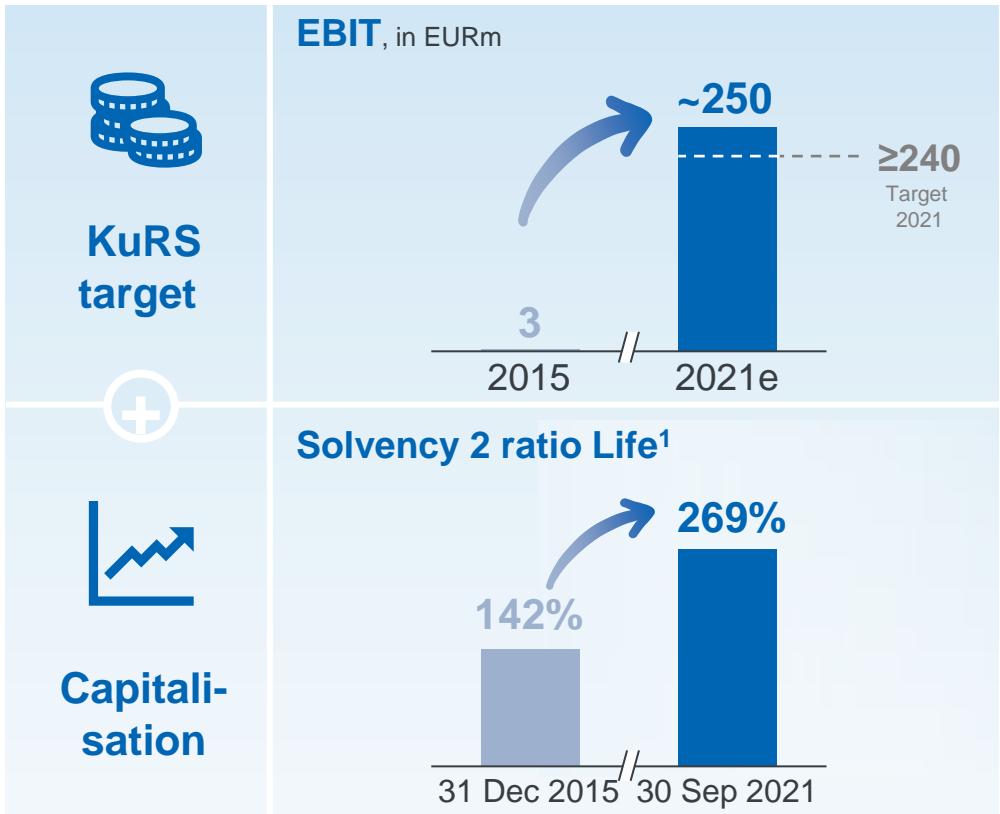


2 Focused divisional strategies – Retail Germany

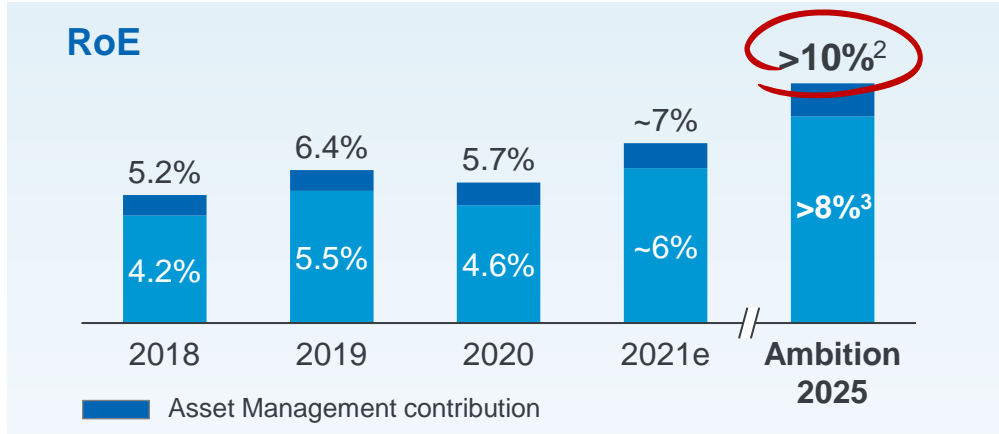
KuRS promise delivered – now targeting double-digit RoE

Our way forward

Promise delivered



- Double-digit RoE
- Leading player for SME and bancassurance
- Focused life business and de-risking



1 As-if-merged Solvency Capital Adequacy Ratio for the four German life entities. Change 30 September versus 30 June 2021 (224%) mainly due to refinement of model. 2 RoE including Asset Management contribution. 3 RoE as reported

2 Focused divisional strategies – Reinsurance

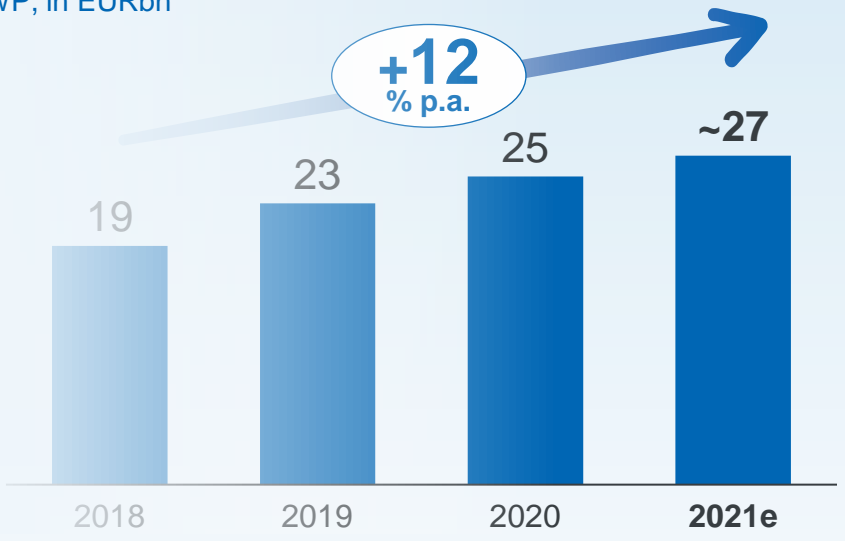
Sustainable strong growth and continued outperformance

Promise delivered Our way forward



Strong growth

GWP, in EURbn



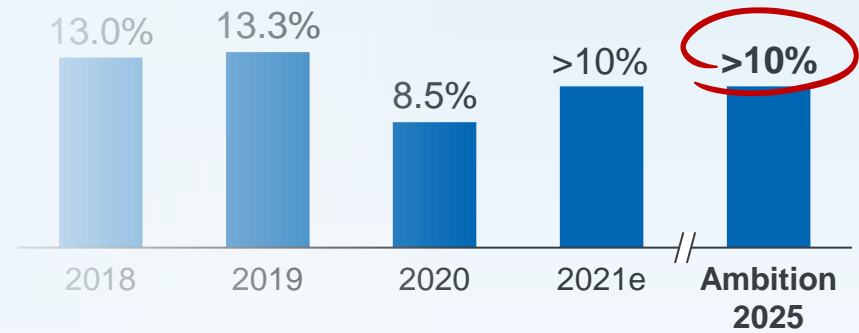
Note: RoE = Return on equity



Further information:
HanRe Investors' Day 2021

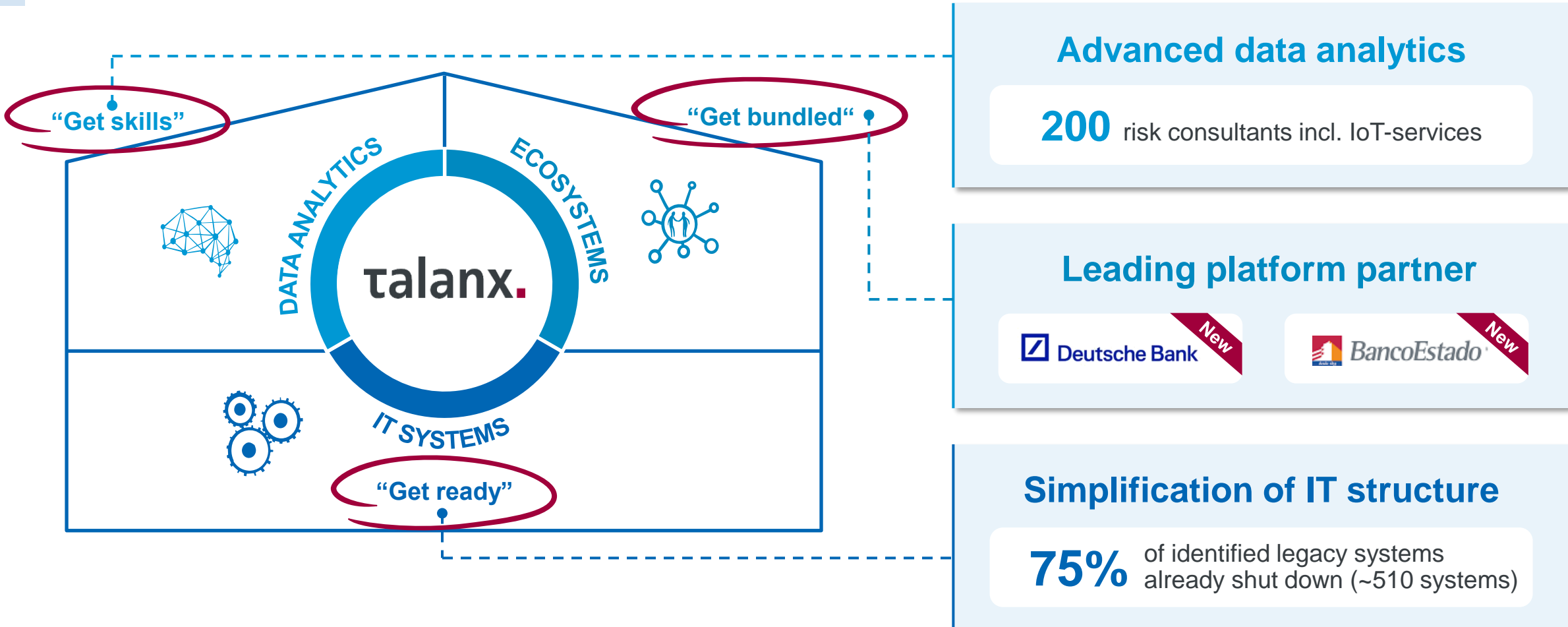
- Double-digit RoE
- Focus Reinsurance
- Continuing outperformance

RoE

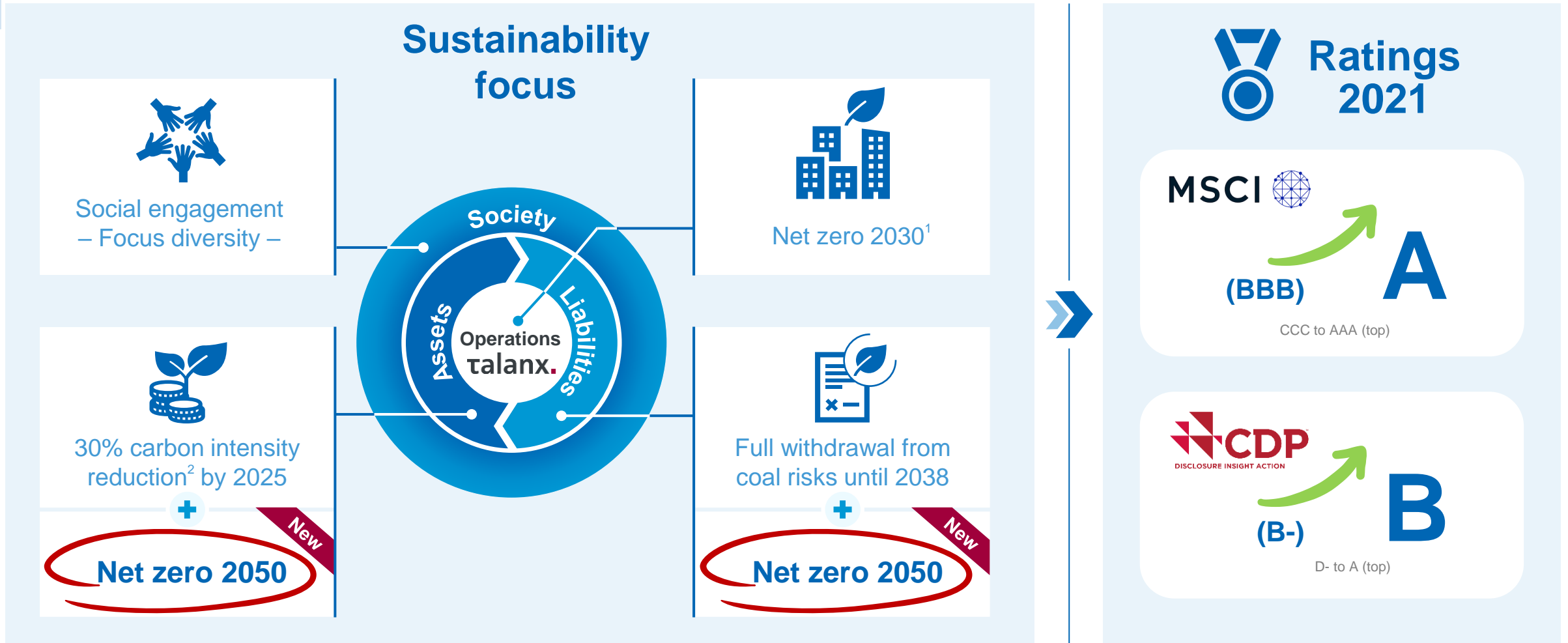


3 Digital transformation

We are speeding up digitisation



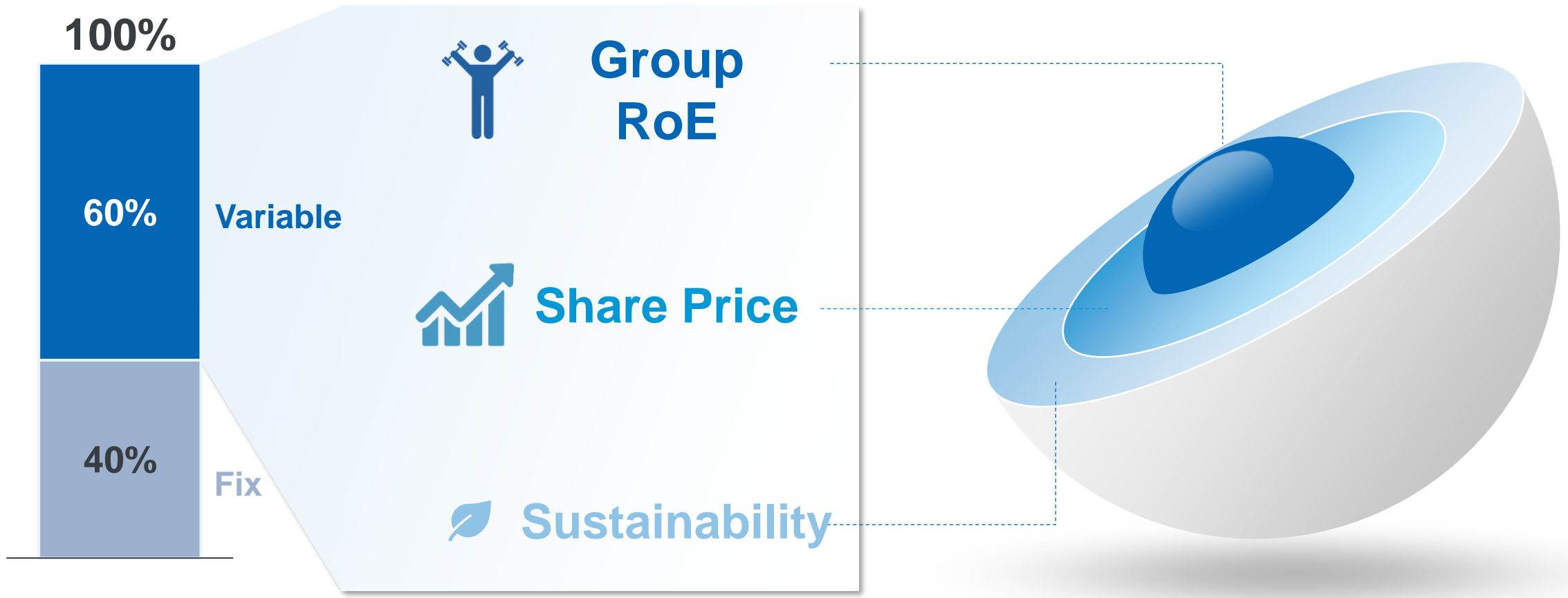
Turning sustainability into differentiation



1 CO2-neutral in Germany since 2019. 2 Reduction of CO₂ intensity of the liquid portfolio by 30% by the end of 2025 compared to the beginning of 2020

New board remuneration system since January 2021

Board remuneration



We are in People Business



Together we take care of the unexpected and foster entrepreneurship

Key messages



tal anx.



We **delivered** what we **promised**








We **increase** our **dividend**



We **boost ambition** in primary insurance

Updated outlook 2021 and new outlook 2022 for Talanx Group

	Outlook 2021	Outlook 2022
 Dividend payout	EUR 1.60 per share	35 – 45% DPS at least stable y/y
 Return on equity	~9.0%	~10%
 Group net income	upper end of EUR 900 - EUR 950m	between EUR 1,050 and EUR 1,150m
 Net return on investment	~2.7%	~2.4%
 Currency-adjusted GWP growth	high single-digit % growth	mid single-digit % growth





Note: All targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets and no material currency fluctuations. The targeted dividend payout and dividend proposal 2021 is subject to the regulator's approval as well as board and AGM approval. The Outlook 2021 is based on a large loss budget of EUR 410m (2020: EUR 360m) in Primary Insurance, of which EUR 331m in Industrial Lines (2020: EUR 301m). The large loss budget in Reinsurance stands at EUR 1,100m (2020: EUR 975m). The Outlook 2022 is based on a large loss budget of EUR 410m in Primary Insurance, of which EUR 310m in Industrial Lines. The large loss budget in Reinsurance 2022 is EUR 1,300m.

Agenda of the day

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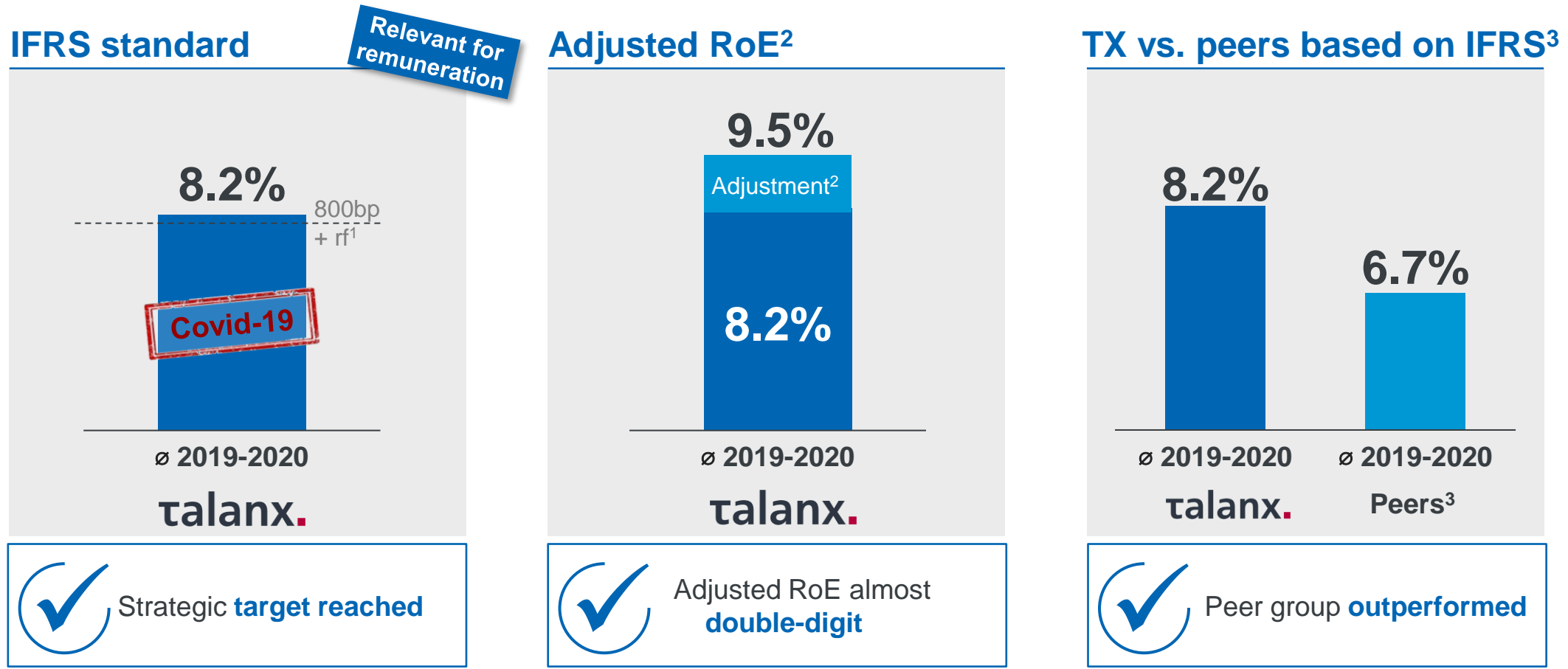
How to deliver on our promises and CFO/CIO agenda

Delivering on our promises + **Execution of CFO/CIO agenda**

<p>1 Return on equity</p> <p>≥ 800bp above risk-free rate</p>  <p>2019 + 2020: Peer group outperformed</p>	<p>2 Dividend payout ratio & Solvency 2</p> <p>35% - 45% of IFRS earnings</p>  <p>Stable or upwards</p>	<p>3 Green bond framework</p> <p>Support for sustainability strategy</p>  <p>Sustainable investments</p>	<p>4 IFRS 9/17 transition</p> <p>Transparent claims reserving policy & asset allocation under IFRS 9</p>  <p>Additional transparency</p>
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Note: Targets are relevant as of FY2019. The risk-free rate is defined as the 5-year rolling average of the 10-year German Bund yield. EPS CAGR until 2022 (base level: original Group net income outlook of EUR ~850m for 2018). Targets are subject to large losses staying within their respective annual large-loss budgets as well as no occurrence of major turmoil on currency and/or capital markets.

1 RoE – Talanx with higher return on equity than peers



1 Target is ≥ 800bp above risk-free rate. The risk-free rate is defined as the 5-year rolling average of the 10-year German Bund yield. Average risk-free rate 2019-2020 was 0.16% | 2 Adjusted RoE: Equity adjusted for unrealised gains / losses on investments | 3 Peers: Allianz, Axa, Generali, Mapfre, Munich Re, Swiss Re, VIG, Zurich.

2 Dividend policy unchanged

Dividend policy

- 1 Dividend payout ratio: ~35 - 45%
- 2 Target cash pool: 1.5x-2.0x dividend¹
- 3 Stable or upwards



Track record

Target payout ratio

Target 2018-2022	Ø 2018-2021e
35% - 45%	48%

Growing cash pool

Year	2018	2019	2020	2021e	2023e
Value	0.3x	0.8x	1.3x	1.3x	>1.5x

Dividend per share

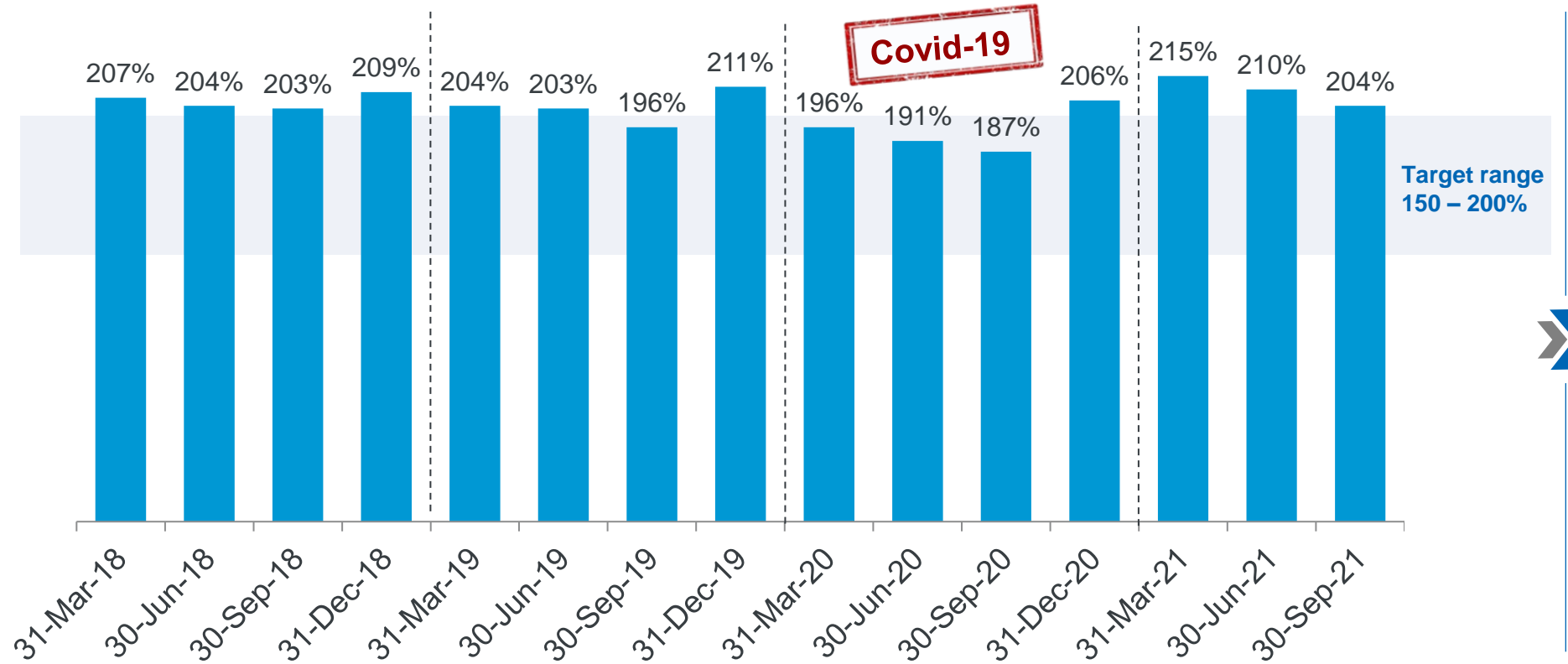
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e
Value	1.05	1.20	1.25	1.30	1.35	1.40	1.45	1.50	1.50	1.60

CAGR 2012-21e: 4.8% p.a.

¹ Cash pool: "Gewinnvortrag" (retained profits carried forward under German GAAP divided by annual dividend)

2 Strong Solvency 2 capitalisation supports resilience

Development of Solvency 2 capitalisation (Regulatory view, S2 CAR, excl. transitional)



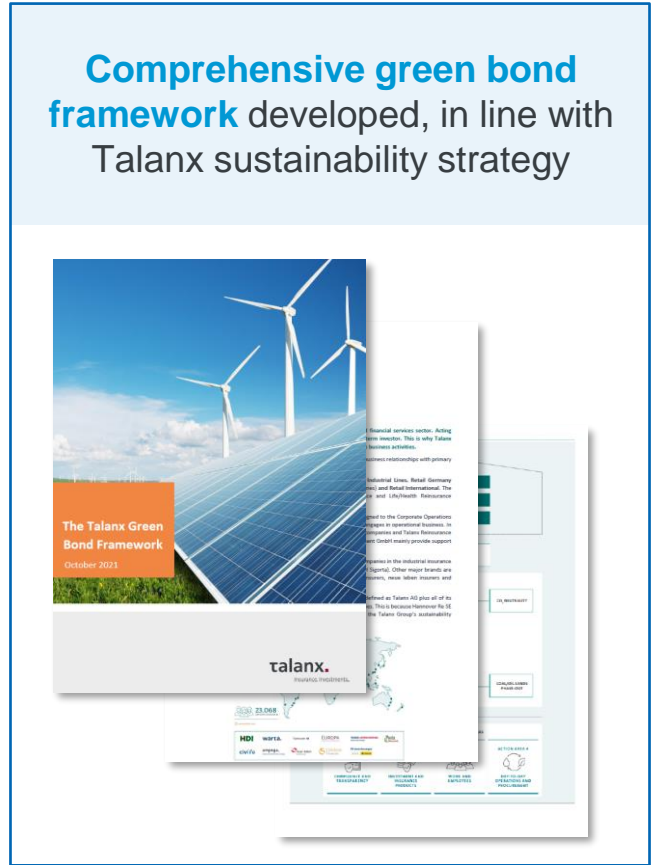
➔ Positioning at **upper end of target range**

Note: Solvency 2 ratio relates to HDI Group as the regulated entity. The chart does not contain the effect of transitional measure.

3 Talanx green bond framework – strong support for sustainability strategy

Green bond framework

Comprehensive green bond framework developed, in line with Talanx sustainability strategy



Second party opinion

Sustainalytics certifies alignment according to EU Taxonomy¹ and Green Bond Principles

- ✓ **EU Taxonomy regulation**
 - Compliance with national/EU/ international environmental & social standards² ensures meeting:
 - “Do no significant harm” criteria
 - Minimum social safeguards

- ✓ **Green Bond Principles**
 - Use of proceeds
 - Process for evaluation & selection
 - Management of proceeds
 - Reporting
 - External reviews

Use of proceeds

Framework incorporates **renewable energy and green buildings**

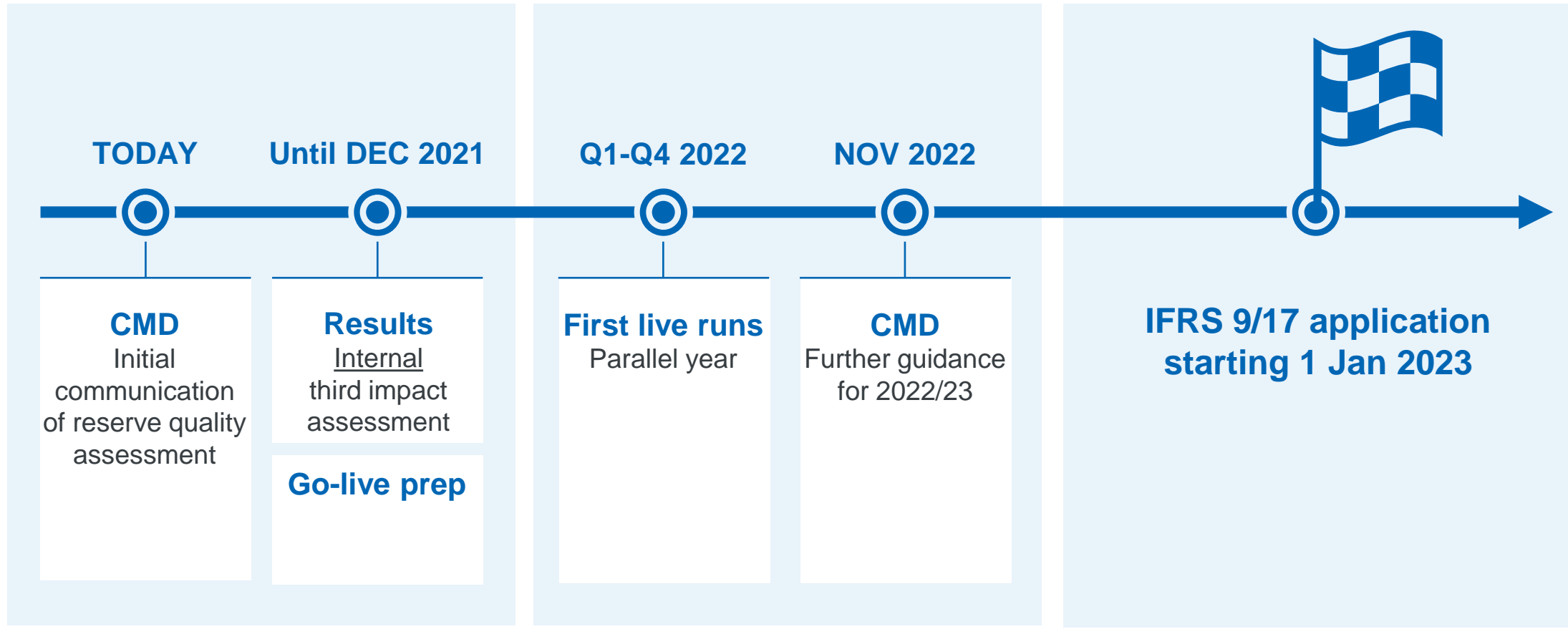
- ✓ **Use of proceeds**
 - ✓ Renewable energy ✓
 - ✓ Green buildings ✓

- ✓ **Contributing to**
 - Talanx sustainability strategy
 - EU’s environmental objectives of climate change mitigation
 - Overarching climate initiatives

¹ Alignment on assessed categories; for further information please check second party opinion. ² Including the ILO Core Labour Conventions and the UN Guiding Principles on Business and Human Rights.

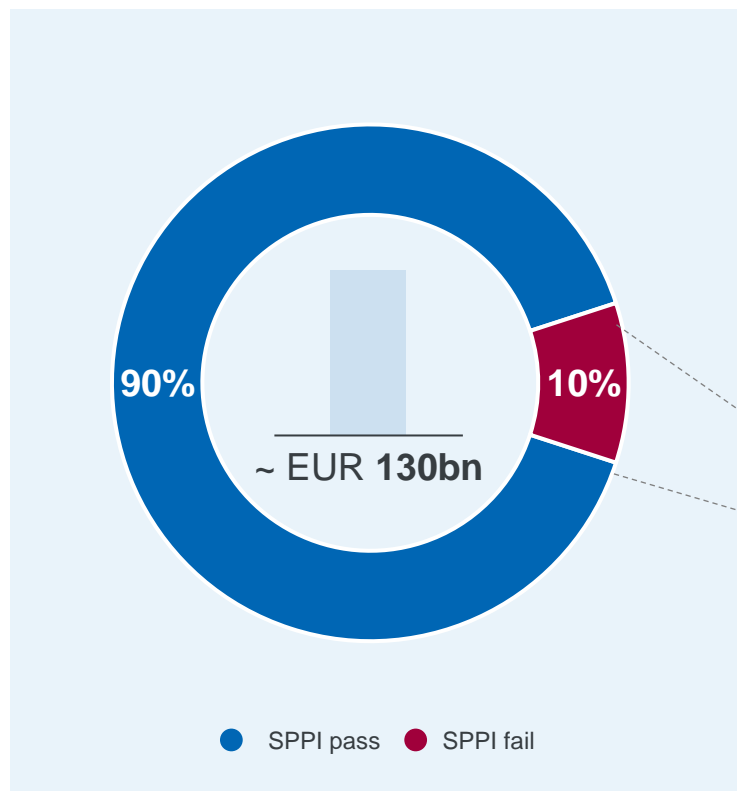
4 IFRS 9/17 will fundamentally change accounting

Next steps

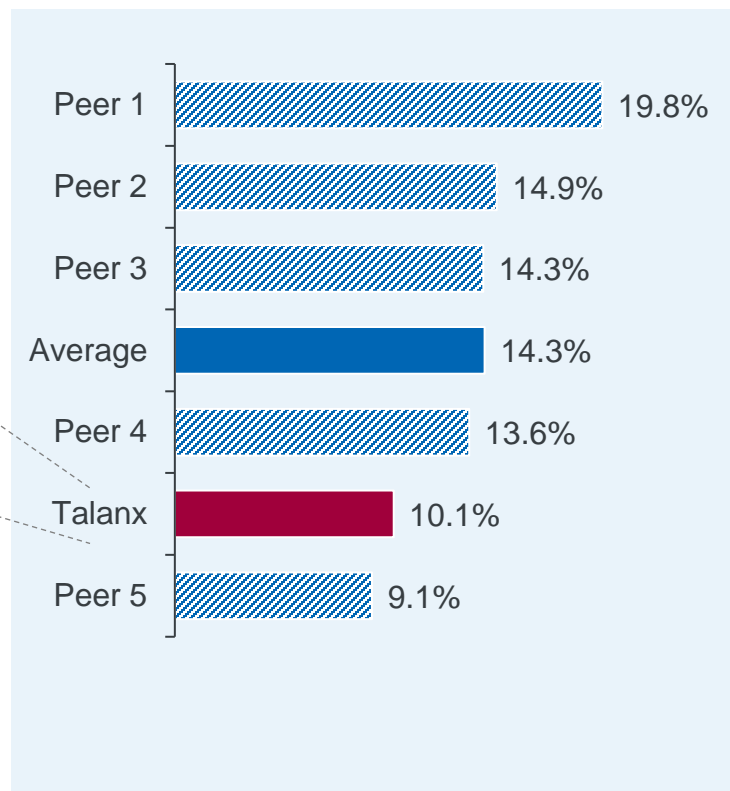


4 Talanx well prepared for IFRS 9 – measures to manage P&L volatility underway

Talanx's SPPI test results¹



SPPI fail quota peers²



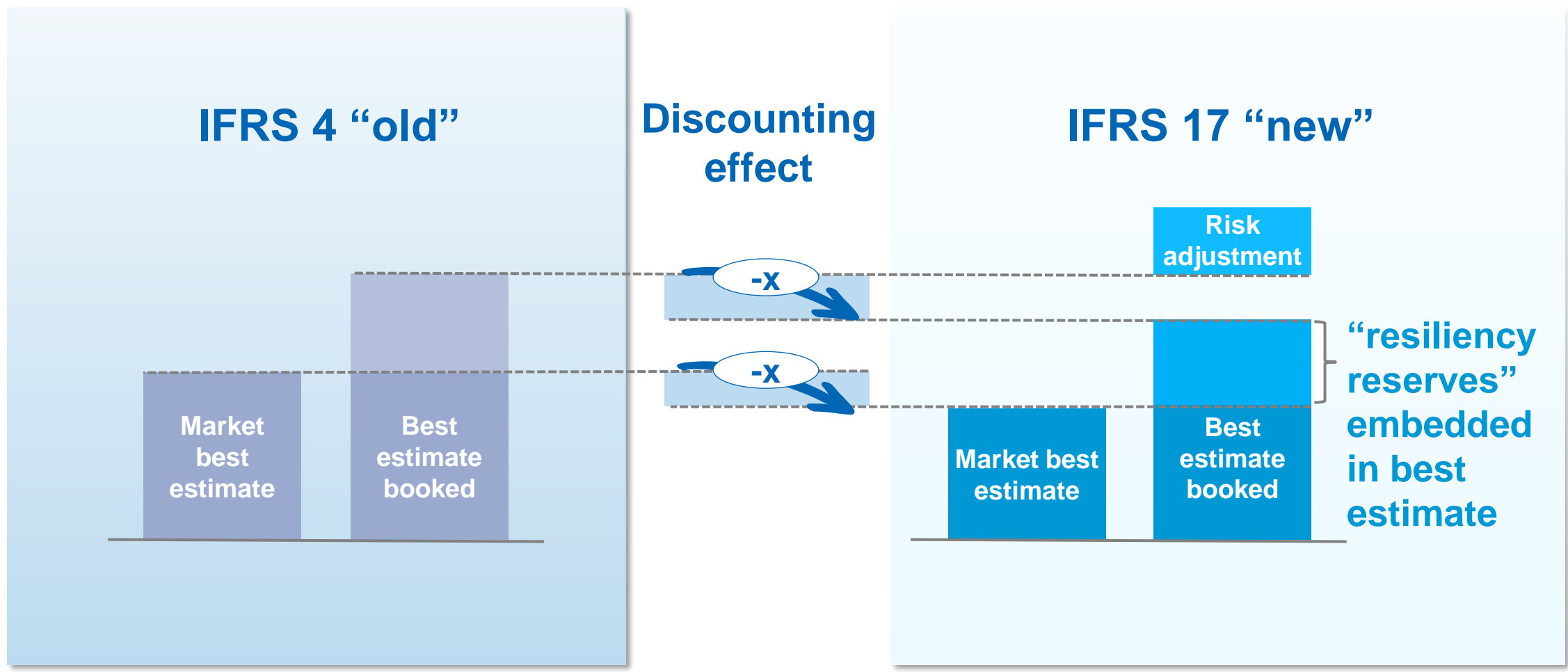
P&L volatility low, as:

- ~99% of SPPI pass assets are **ECL stage 1**³
- **SPPI fail** quota comparably **low**
- ~40% SPPI fail assets from **life insurance** with VFA accounting⁴
- **restructuring** bond funds portfolio to **managed accounts**
- **FVOCI option** for several equity instruments



1 SPPI: Solely Payment of Principal and Interest. Assets which pass the SPPI test can be accounted for at Fair Value through OCI (FVOCI). Talanx's SPPI test results are shown for relevant financial assets as per 31 Dec 2020.
 2 Peers: Allianz, Axa, Generali, Munich Re, Scor. Source: Own calculations based on annual reports 2020 of Talanx Group and peers. 3 ECL: Expected Credit Loss. The ECL has to be calculated for SPPI pass assets. The change between two reporting dates will be accounted for through P&L. P&L volatility from ECL is expected to be low, as most debt instruments have an investment grade rating and low credit risk (stage 1). 4 Life insurance companies which are using the variable fee approach (VFA) according to IFRS 17 can compensate nearly all this P&L volatility.

4 Under IFRS 17, reserves will be lower in absolute terms....



4 ...but Talanx reserve policy & governance remain unchanged

Balance Sheet

Assets	Liabilities
	Technical provisions P&C net claims reserves EUR 39.8bn¹

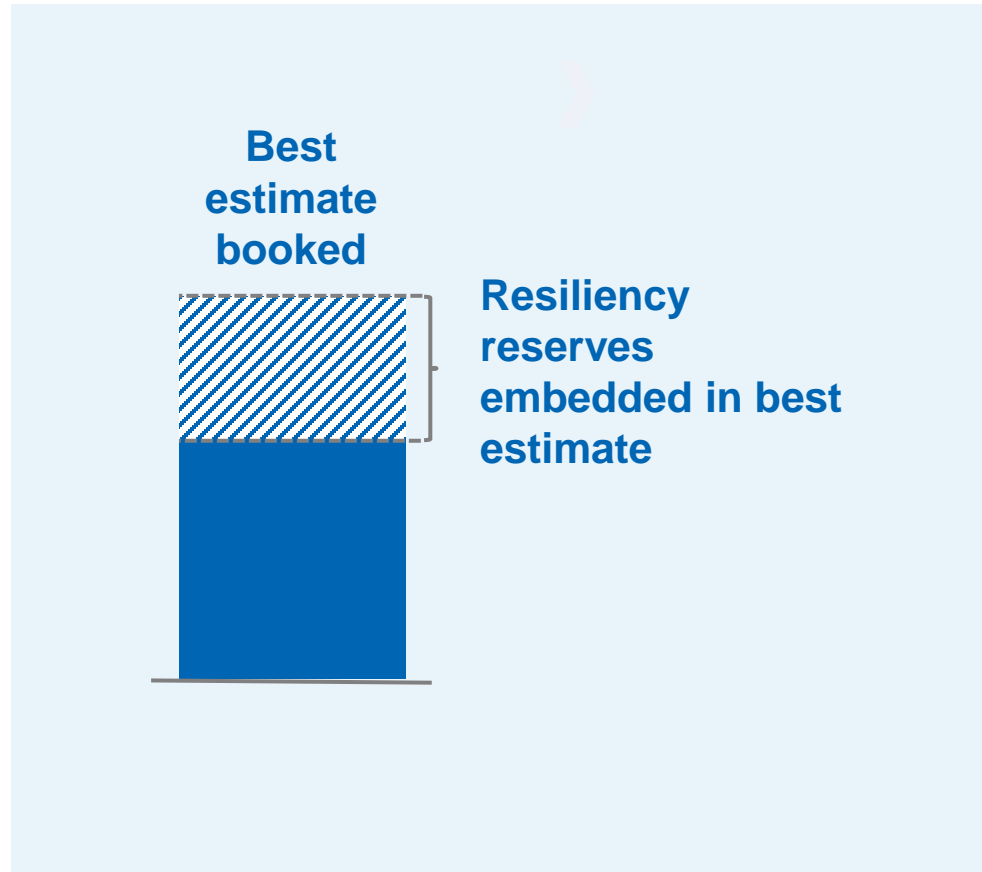
Reserving Governance

- 1** Reserve setting by **local actuaries / reserving committees**
- 2** Actuarial function applies **control framework**
- 3** **Sampled testing by auditors**
- 4** **External actuaries** review reserves (e.g. 96.7% of net claims reserves of Talanx Group as of 31 Dec 2020)
- 5** **Calculation of resiliency reserves on group level** as difference between external actuaries' and booked Talanx best estimates

Note: Consolidated balance sheet for the Group as at 31 December 2020 reflects EUR 128.5bn gross technical provisions, thereof EUR 51.2.bn gross loss and loss adjustment expense reserve. After reinsurance this constitutes EUR 45.3bn of net loss and loss adjustment expense reserve | 1 Net loss reserves of Property/Casualty insurance companies in the primary insurance area (incl. Corporate Operations) and Property/Casualty Reinsurance. Excludes Life/Health reinsurance segment (EUR 4.6bn) and life primary insurance business (EUR 1.1bn)

4 Resiliency reserves depend on underlying risks, size of portfolio and portfolio mix

Resiliency reserves are ...



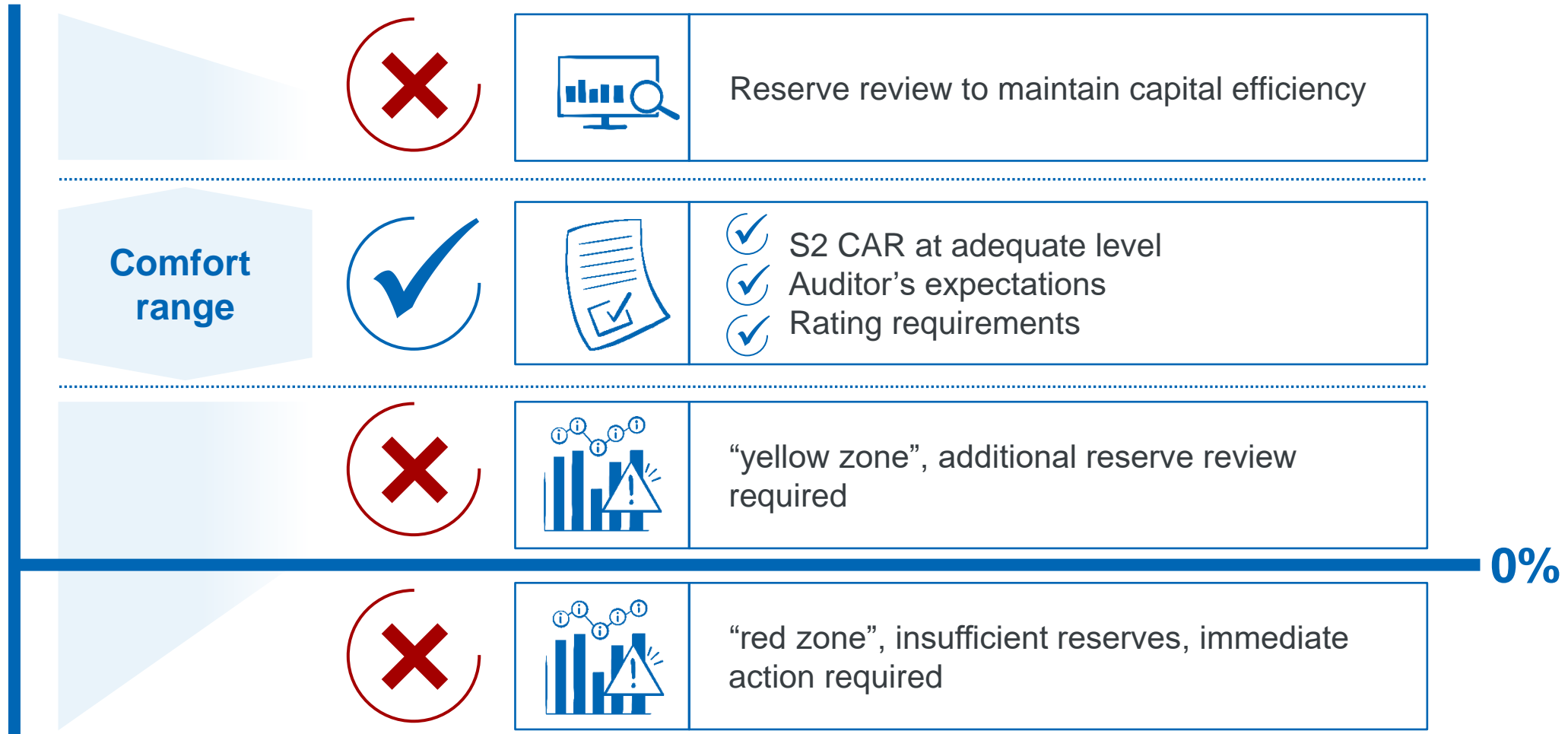
... higher if in relevant accounting unit

- volume of claims in group of contracts is small
- “event not in data” claims are high
- volatility of winding up outstanding claims is high
- line of business is more long tail
- ratio of IBNR claims to filed claims is high

... subject to

- changes in underlying risks, e.g. portfolio mix
- changes in claims-relevant processes
- choice of actuarial methods and their parameterisation

4 Resiliency reserve level well within comfort range

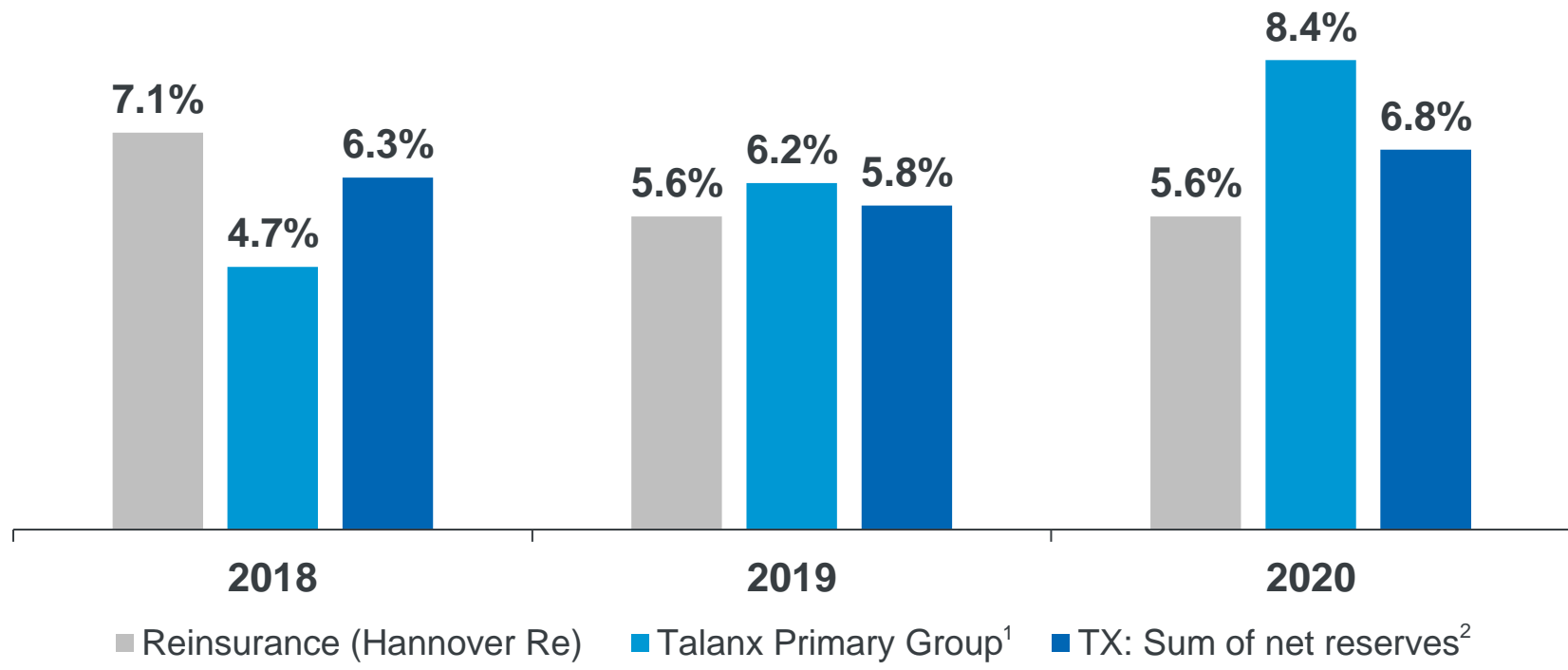


CAR = Capital Adequacy Ratio

4 Development of resiliency reserves since 2018

Resiliency reserves embedded in best estimate

in % of year-end IFRS net reserves



- Resiliency reserves in the **Talanx Primary Group** have **increased** since 2018
- At the same time, **operational results** have been **strong**

Source: Willis Towers Watson calculation based on data provided by Talanx. See appendix to CFO presentation. 1 Talanx Primary Group, excluding Talanx AG. 2 „TX: Sum of net reserves“ is sum of Hannover Re, Talanx Primary Group, Talanx AG (not consolidated).

4 Primary Group reserve levels above Hannover Re's

Regular reporting format

Group reserve quality assessment

	Reserves TX/HR accounting view ¹	External best estimate ¹	Resiliency reserves embedded in best estimate (BE) ¹	Resiliency reserves embedded in BE of 2020YE	Resiliency reserves embedded in BE 2019YE
HR net	27,364	25,828	1,536	5.6%	5.6%
TPG net ²	12,083	11,063	1,020	8.4%	6.2%
TX net ³	39,762	37,075	2,687	6.8%	5.8%



- Increase in resiliency reserves at **Primary Insurance level** is mainly driven by **Industrial Lines**
- Reserve level provides for **reliable future returns**

¹ Figures before taxes and minorities, in EURm; source: Willis Towers Watson calculation based on data provided by Talanx. See appendix to CFO presentation. The scope of the estimate includes 96.7% of reserves, as of 31 December 2020 (note: EUR 1,305m out of EUR 39,762m are not analysed).
² Talanx Primary Group, excluding Talanx AG. ³ Sum of Hannover Re, Talanx Primary Group, Talanx AG (not consolidated)

4 We will regularly disclose our annual reserve quality assessments

Communication of reserve quality

- Transparency regarding reserving policy ✓
- Confirmation of adequacy of reserves ✓
- Proof of adequate capital efficiency ✓



AGM or with Q1 figures,
early annual publication of
**reserve quality
assessment**



Key messages



We show a **superior profitability** vs. peers



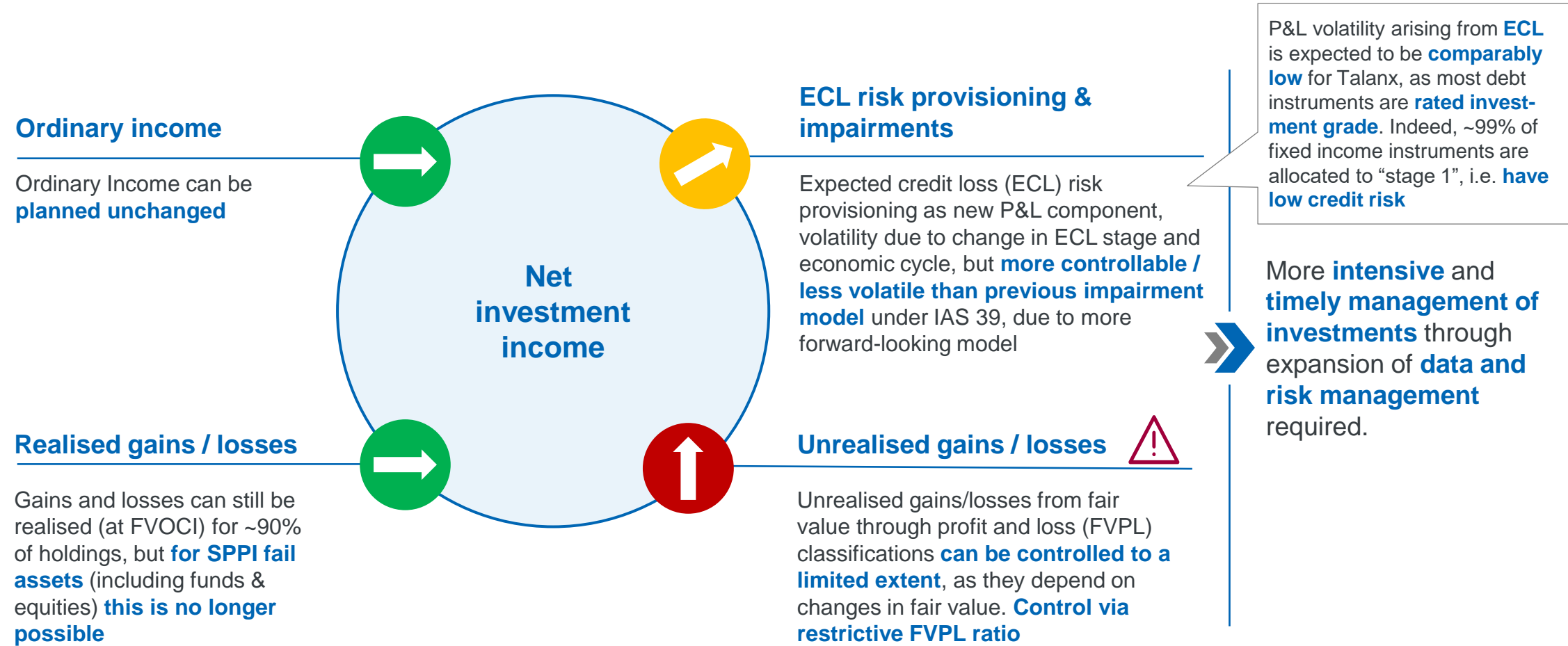
Our dividend policy is stable or **upwards**



Our reserving policy provides for **reliable future returns**

Appendix

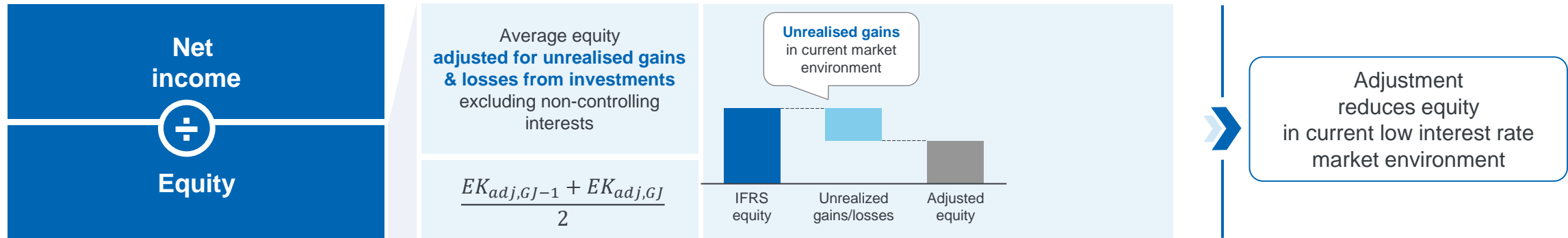
IFRS 9 investment result more volatile mainly due to unrealized gains/losses



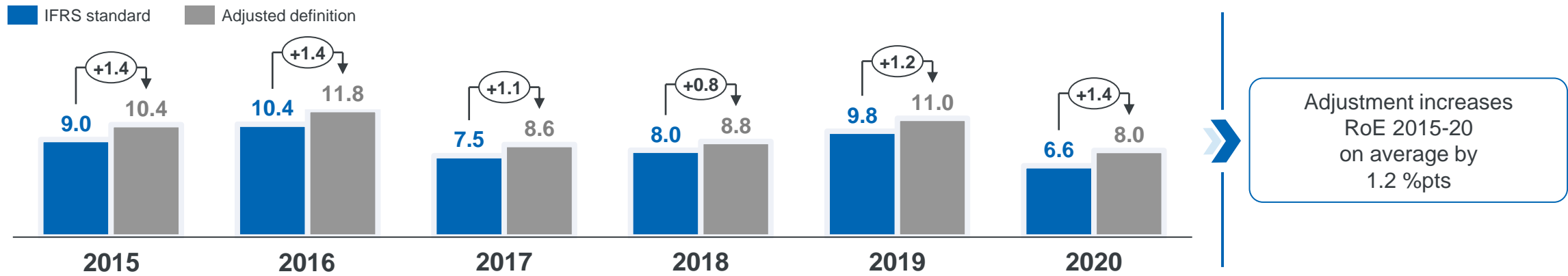
Note: ECL = Expected Credit Loss. FVPL = Fair Value through Profit and Loss

Talanx RoE with OCI adjustment on average 1.2 percentage points higher

RoE adjusted in line with many peers¹

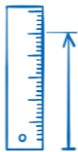




IFRS versus adjusted RoE for Talanx, in % or %pts.



¹ Peers who make this equity adjustment: Allianz, Generali, Munich Re, VIG, Zurich

Strategy 2022 – Mid-term target matrix

Targets	Return on equity  High level of profitability ≥ 800bp above risk-free rate ¹	EPS growth  Profitable growth ≥ 5% on average p.a. ²	Dividend payout ratio  Sustainable & attractive payout 35% - 45% of IFRS earnings DPS at least stable y/y
	Strong capitalisation Solvency 2 target ratio 150 - 200%	Market risk limitation (low beta) Market risk ≤ 50% of Solvency Capital Requirement	High level of diversification targeting 2/3 of Primary Insurance premiums to come from outside of Germany
	Constraints		

Note: All targets are subject to large losses not exceeding the large loss budget, no major turbulences on capital markets and no material currency fluctuations
 1 The risk-free rate is defined as the 5-year rolling average of the 10-year German Bund yield. 2 EPS CAGR 2018 to 2022 (base level: original Group net income Outlook of ~EUR 850m for 2018)

Details on reserve review by Willis Towers Watson

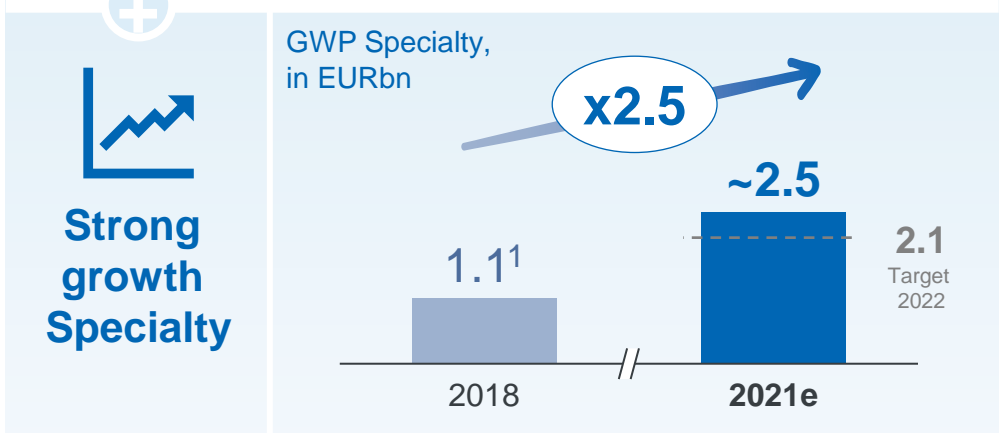
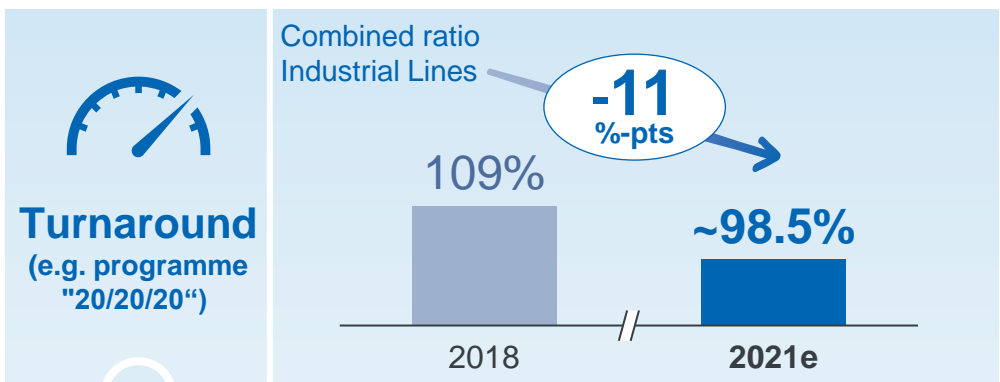
- Willis Towers Watson was separately engaged by Talanx AG and Hannover Rück SE to review certain parts of the held loss and loss adjustment expense reserve, net of outwards reinsurance, from the consolidated financial statements in accordance with IFRS as at each 31 December 2018, 2019 and 2020, and the implicit resiliency margin (excess over expected loss estimate), for the non-life business of Talanx Primary Group and Hannover Rück SE. Willis Towers Watson concludes that the reviewed loss and loss adjustment expense reserve, net of reinsurance, less the resiliency margin is reasonable in that it falls within Willis Towers Watson's range of reasonable estimates.
 - Life and health insurance and reinsurance business are excluded from the scope of this review.
 - Willis Towers Watson's review of non-life reserves as at 31 December 2020 covered 94.6% / 96.7% of the gross and net held non-life reserves before consolidation of €47.3 billion and €39.8 billion respectively.
 - The Willis Towers Watson results referenced in this presentation are based on a series of assumptions as to the future. It should be recognised that actual future claim experience is likely to deviate, perhaps materially, from Willis Towers Watson's estimates. This is because the ultimate liability for claims will be affected by future external events; for example, the likelihood of claimants bringing suit, the size of judicial awards, changes in standards of liability, and the attitudes of claimants towards the settlement of their claims.
 - The Willis Towers Watson results referenced are not intended to represent an opinion of market value and should not be interpreted in that manner. The Willis Towers Watson analysis does not purport to encompass all of the many factors that may bear upon a market value.
 - Willis Towers Watson's analysis was carried out based on data as at evaluation dates for each 31 December. Willis Towers Watson's analysis may not reflect claim development or all information that became available after the valuation dates and Willis Towers Watson's results, opinions and conclusions presented herein may be rendered inaccurate by developments after the valuation dates.
 - As is typical for insurance and reinsurance companies, claims reporting can be delayed due to late notifications by some claimants and cedents. This increases the uncertainty in the Willis Towers Watson results.
 - The reviewed reserves of Hannover Rück SE and Talanx AG include asbestos, environmental and other health hazard (APH) exposures which are subject to greater uncertainty than other general liability exposures. Willis Towers Watson's analysis of the APH exposures assumes that the reporting and handling of APH claims is consistent with industry benchmarks. However, there is wide variation in estimates based on these benchmarks. Thus, although the reviewed reserves of Hannover Rück SE's show some resiliency compared to Willis Towers Watson's indications, the actual losses could prove to be significantly different to both the held and indicated amounts.
 - Willis Towers Watson has not anticipated any extraordinary changes to the legal, social, inflationary or economic environment, or to the interpretation of policy language, that might affect the cost, frequency, or future reporting of claims. In addition, Towers Watson's estimates make no provision for potential future claims arising from causes not substantially recognised in the historical data (such as new types of mass torts or latent injuries, terrorist acts), except in so far as claims of these types are included incidentally in the reported claims and are implicitly developed.
 - In accordance with its scope Willis Towers Watson's estimates are on the basis that all of Talanx AG's and Hannover Rück SE's reinsurance protection will be valid and collectable. Further liability may exist for any reinsurance that proves to be irrecoverable.
 - Willis Towers Watson's estimates are in Euros based on the exchange rates provided by Talanx AG and Hannover Rück SE as at each 31 December evaluation date. However, a substantial proportion of the liabilities is denominated in foreign currencies. To the extent that the assets backing the reserves are not held in matching currencies, future changes in exchange rates may lead to significant exchange gains or losses.
 - Willis Towers Watson has not attempted to determine the quality of Talanx AG's and Hannover Rück SE's current asset portfolio, nor has Willis Towers Watson reviewed the adequacy of the balance sheet provisions except as otherwise disclosed herein.
- In its review, Willis Towers Watson has relied on audited and unaudited data and financial information supplied by Talanx AG, Hannover Rück SE and their respective subsidiaries, including information provided orally. Willis Towers Watson relied on the accuracy and completeness of this information without independent verification.
- Except for any agreed responsibilities Willis Towers Watson may have to Talanx AG or Hannover Rück SE, Willis Towers Watson does not assume any responsibility and will not accept any liability to any third party for any damages suffered by such third party arising out of this commentary or references to Willis Towers Watson in this document.

Agenda of the day

I	Group Strategy	Torsten Leue	
II	Group Financials	Jan Wicke	
III	Industrial Lines	Edgar Puls	
IV	HDI Global Specialty	Ulrich Wallin	
V	Retail International	Wilm Langenbach	
VI	Retail Germany	Christopher Lohmann	
VII	Final Remarks	Torsten Leue	

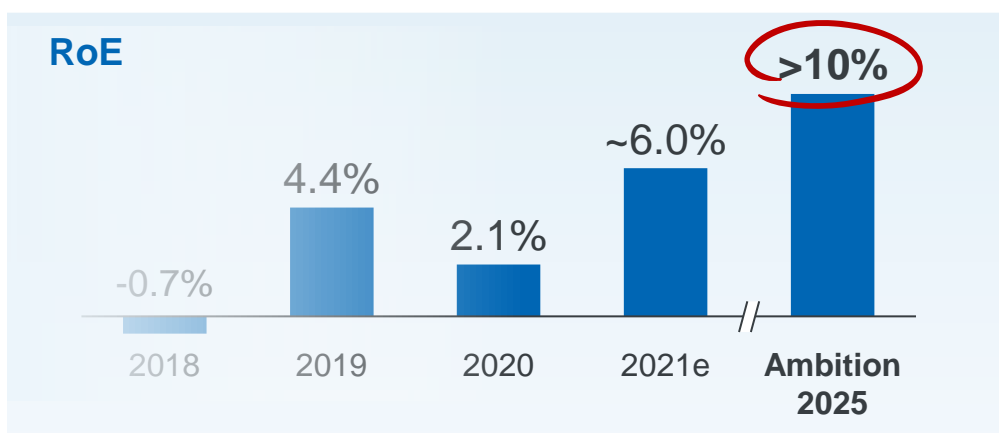
Delivered on "20/20/20" and initiative Specialty – now path to double-digit RoE

Promise delivered Our way forward



HDI 4.0 Global

- Double-digit RoE
- Global specialty player
- Leading innovation partner



Note: RoE = Return on equity; Group RoE target: ≥ 800bp above risk-free rate. 1 As if consolidated into Industrial Lines

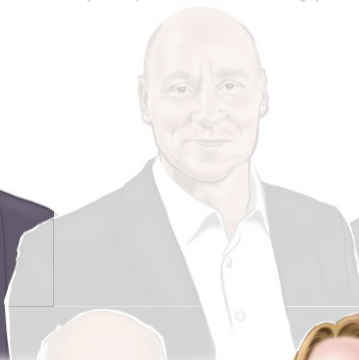
Our management team to reach the top

as of 1 January 2022

New **Mukadder Erdönmez**
 CUO Liability, Cyber & Motor
Over 20 years of experience in the insurance industry with a dedicated focus on Casualty



David Hullin
 CMO Region Americas & Europe (ex Germany)



Thomas Kuhnt
 COO, CIO & Group Accident



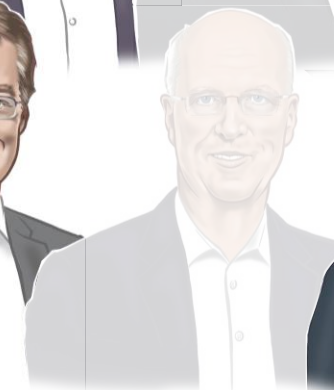
Andreas Lubrichs **New**
 CMO Region Germany
More than 30 years of international experience in developing businesses



New **Ralph Beutter**
 CUO Specialty Lines
More than 30 years experience in international specialty underwriting



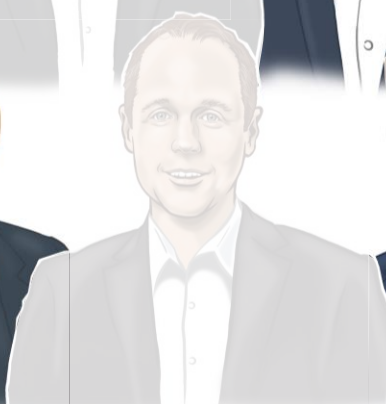
Jens Wohlthat
 CMO Region APAC



Claire McDonald **New**
 CUO Property, Engineering & Marine
More than 30 years experience in a variety of roles in underwriting and operations



Edgar Puls
 CEO



Christian Hermelingmeier **New**
 CFO
Proven financial expert and actuary with 12 years of experience in P&C and life



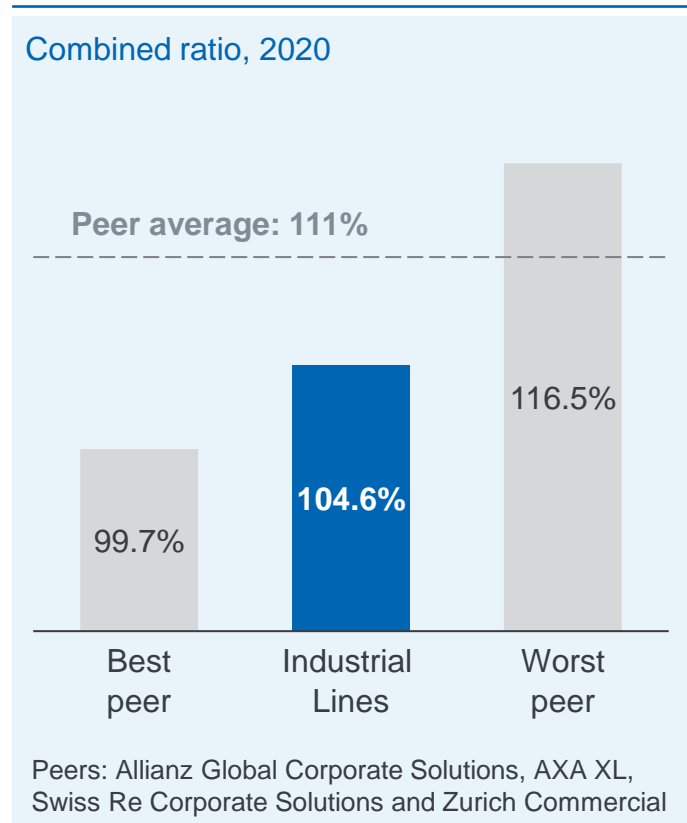
Promise delivered

Turnaround delivered!

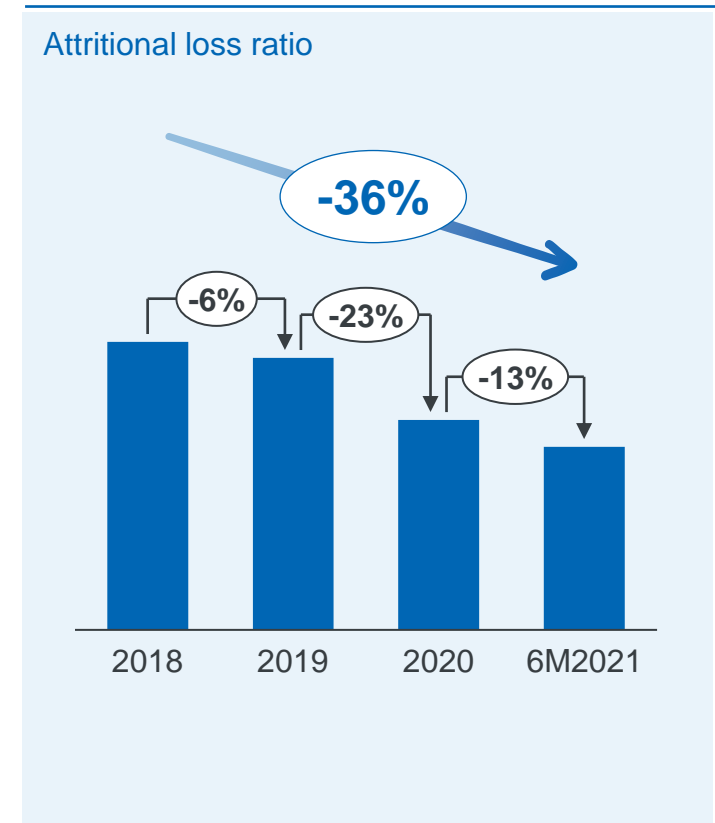
Combined ratio has significantly improved...



... is clearly below peer average...



... driven by strong decrease in attritional loss ratio




Promise delivered

Entire portfolio restructured beyond 20/20/20 while maintaining growth

From 2018 to 2020...

Property

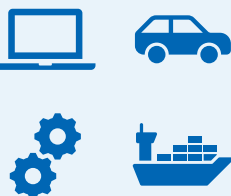


20/20/20

55% prices increased ✓

16% p.a. GWP not renewed ✓

Other LoB

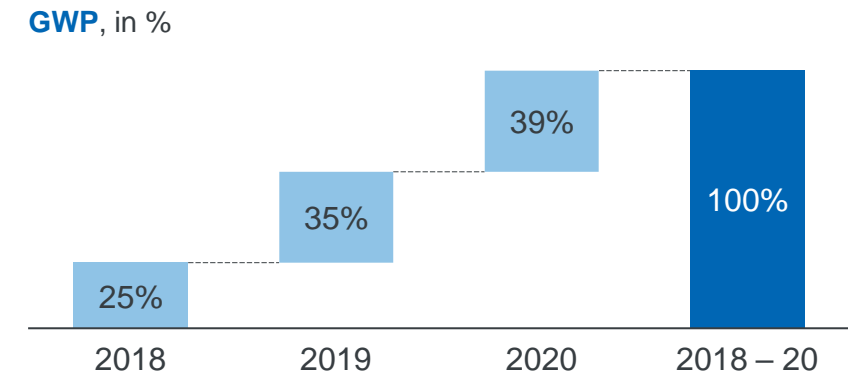


13 - 45% prices increased ✓

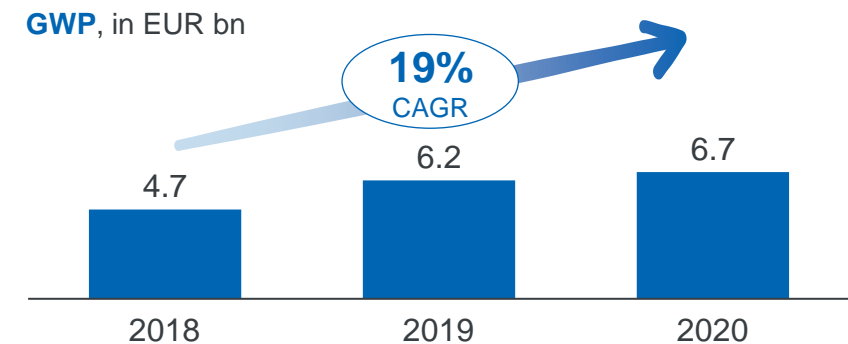
5 - 13% p.a. GWP not renewed ✓



On average every contract recalibrated

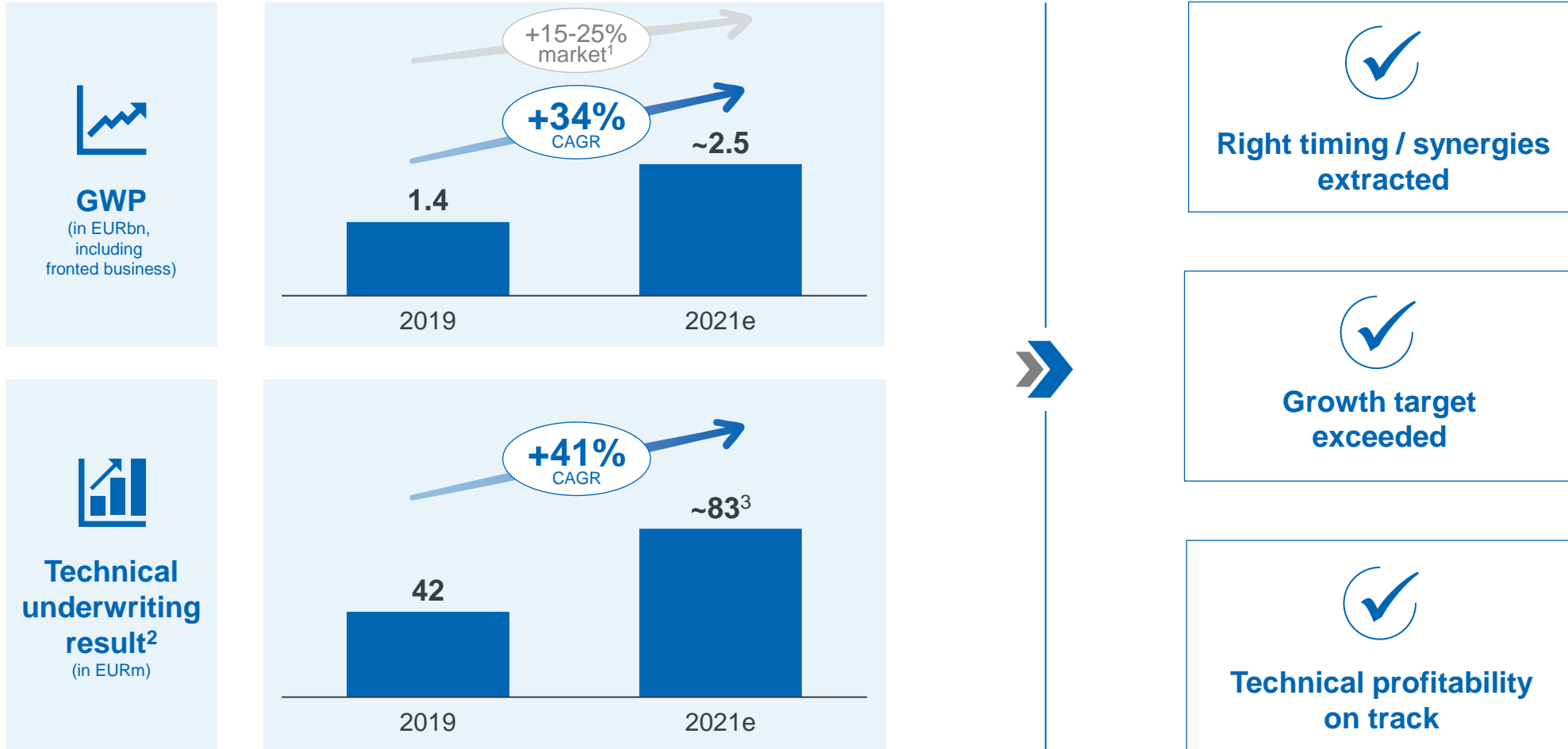


GWP growth



Promise delivered

Specialty business already outperformed initial growth ambition



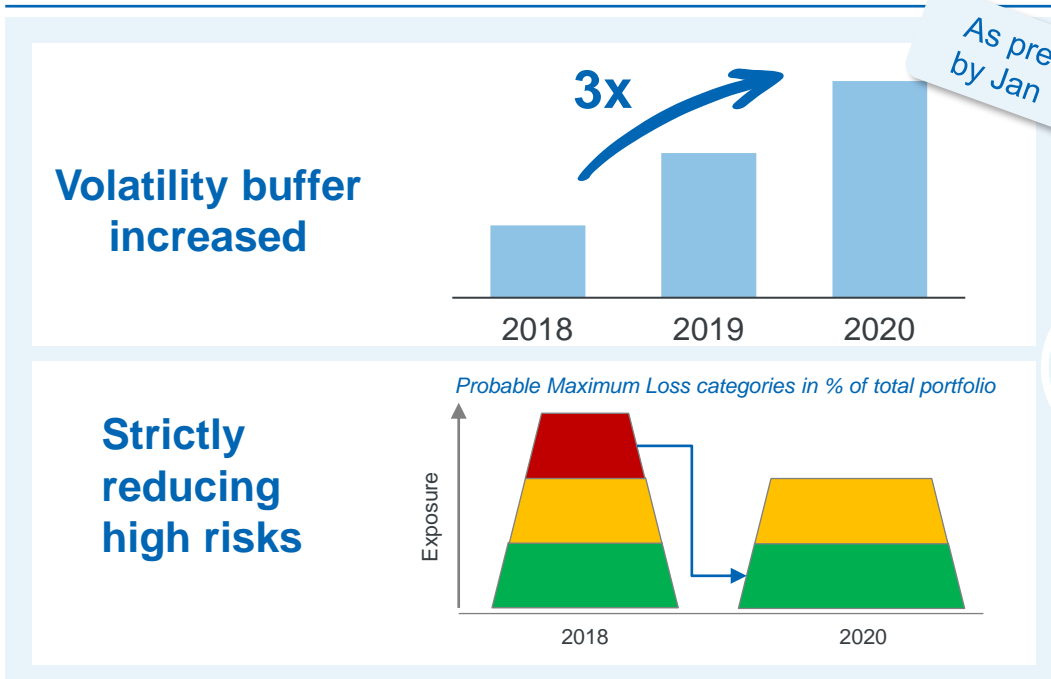
1 Approximated average market year-on-year rate change. 2 Managed portfolio before internal reinsurance and minorities; including cost reimbursement for fronted business.

3 Thereof EUR ~70m reported in consolidated Industrial Lines result

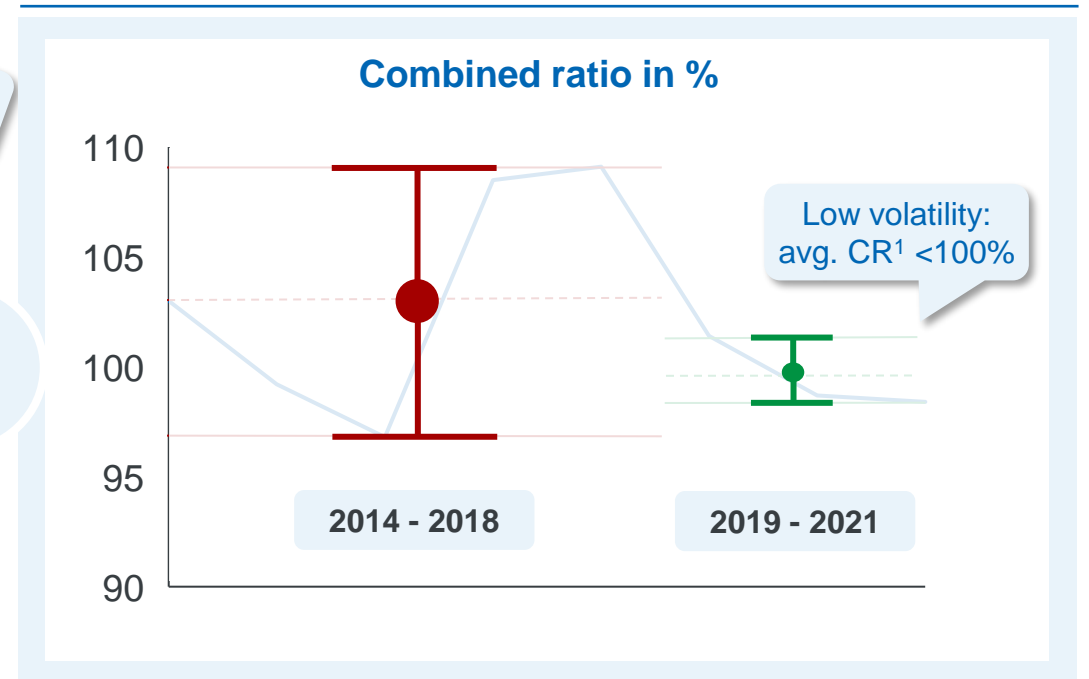
Promise delivered

Reduced volatility through improved reserve buffer

Taking the right actions



Significantly improved our results



Resiliency reserves in Industrial Lines nearly **tripled** since 2018

Volatility reduced and average **CR significantly improved**

¹ Without Covid 19 impact in 2020

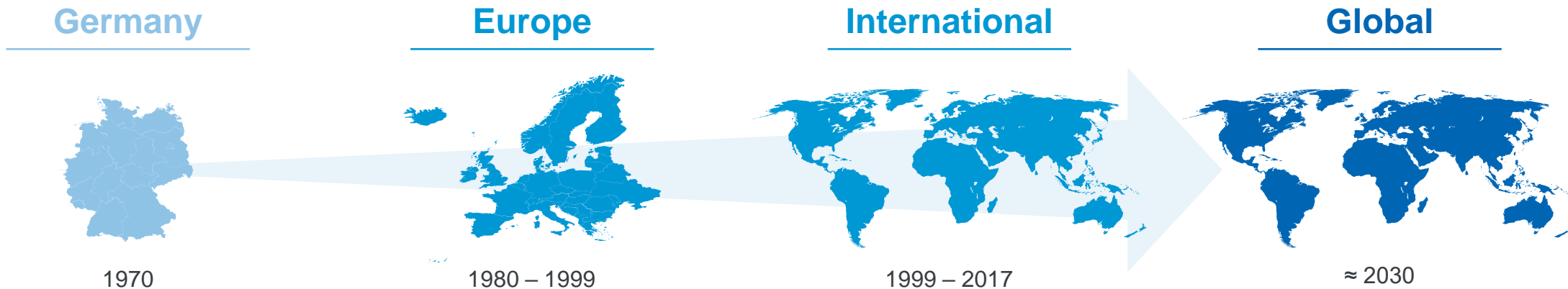
Our way forward

New strategy is lifting Industrial Lines to the next level



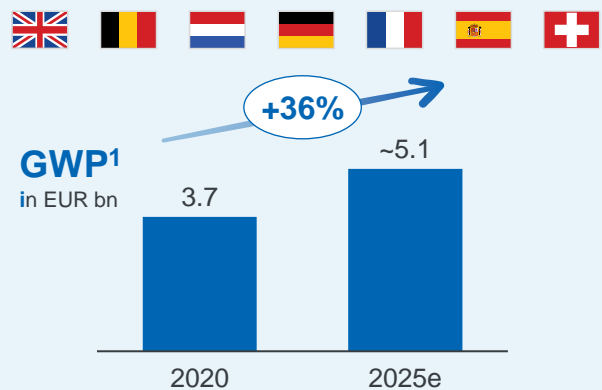
Our way forward

1 Global player – Continued but accelerated global growth

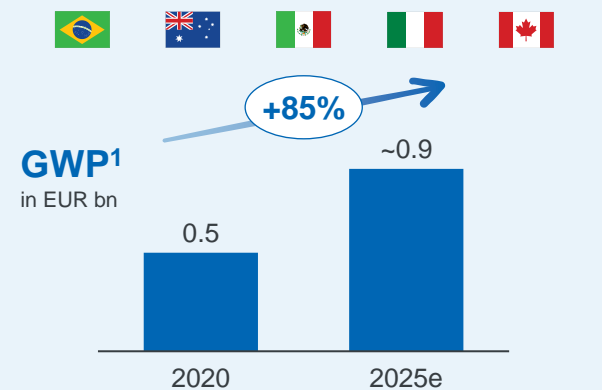


Commercial Lines

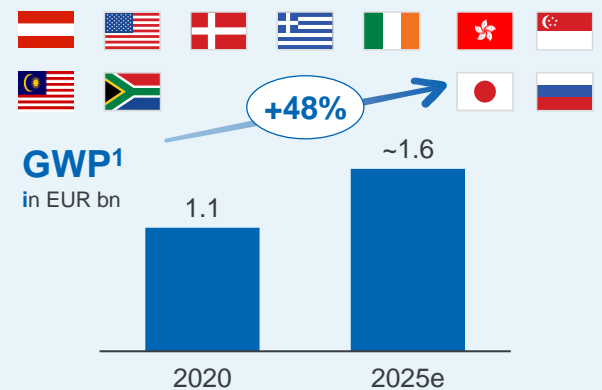
Core markets



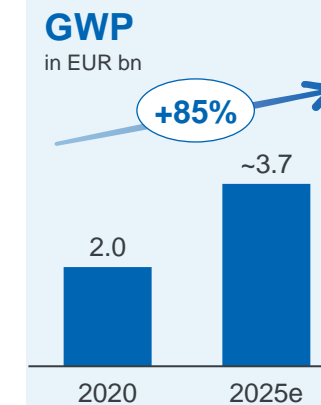
Growth markets



Opportunistic markets



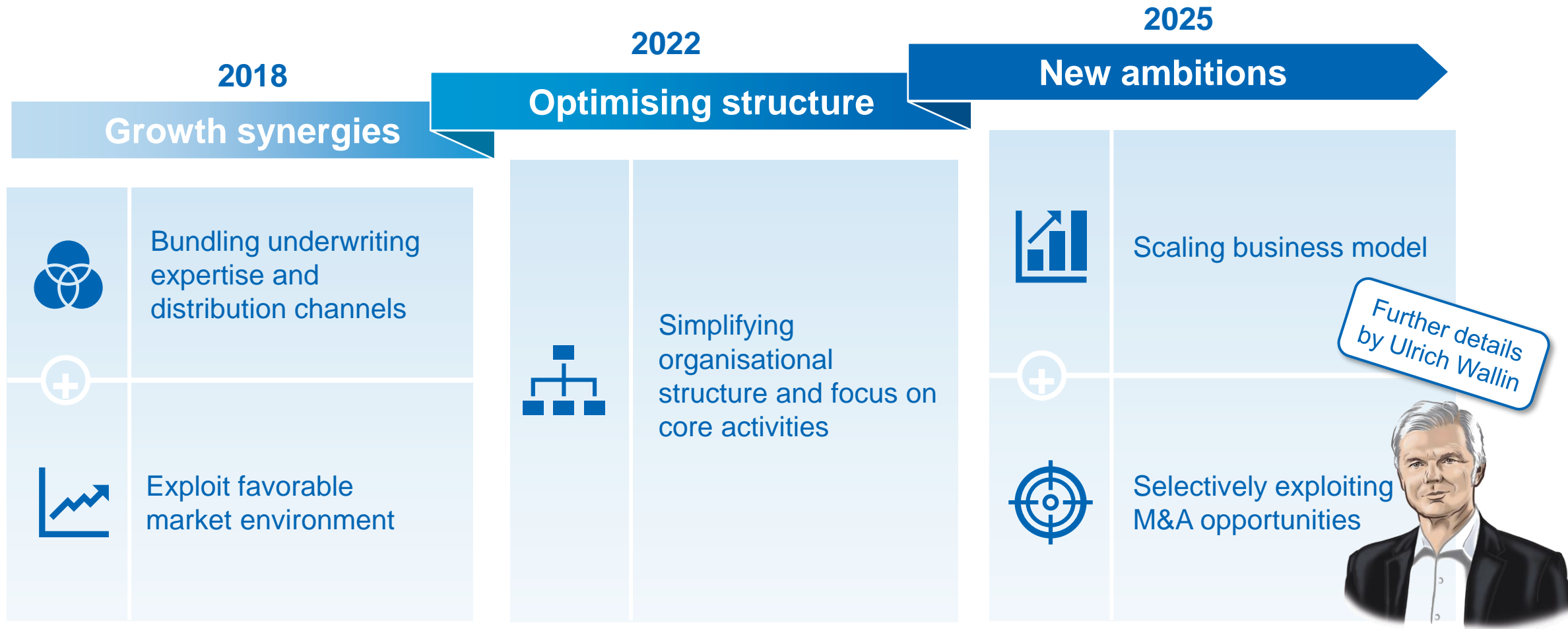
Specialty



¹ GWP figures are on an unconsolidated basis for Commercial Lines. GWP for Industrial Lines as a whole, including Specialty, in 2025 is expected to be slightly below EUR 10bn (EUR 5.7 bn in 2020)

Our way forward

② Leading specialty insurer – Further development of HDI Global Specialty



Our way forward

3 Underwriting champion – A more sophisticated approach has been established

Our mission

Technically superior underwriting

Transparent and consistent execution

Best-in-class in risk assessment, risk selection and pricing

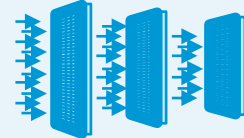
Best-in-class cycle management

Our measures

Large Account Pricing

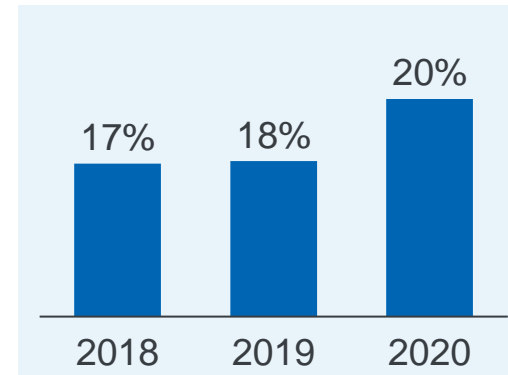
Sophisticated data quality

Portfolio screening process

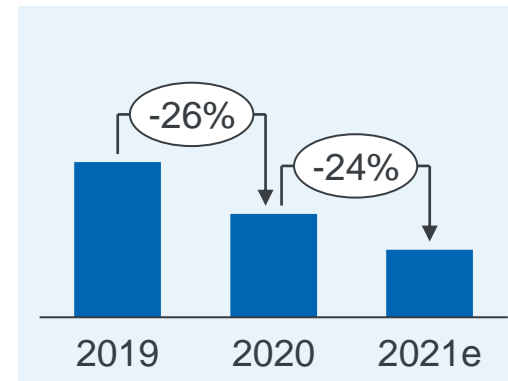


1 Fire only | 2 Annual average loss (AAL) for largest US windstorm scenarios

Rate change¹



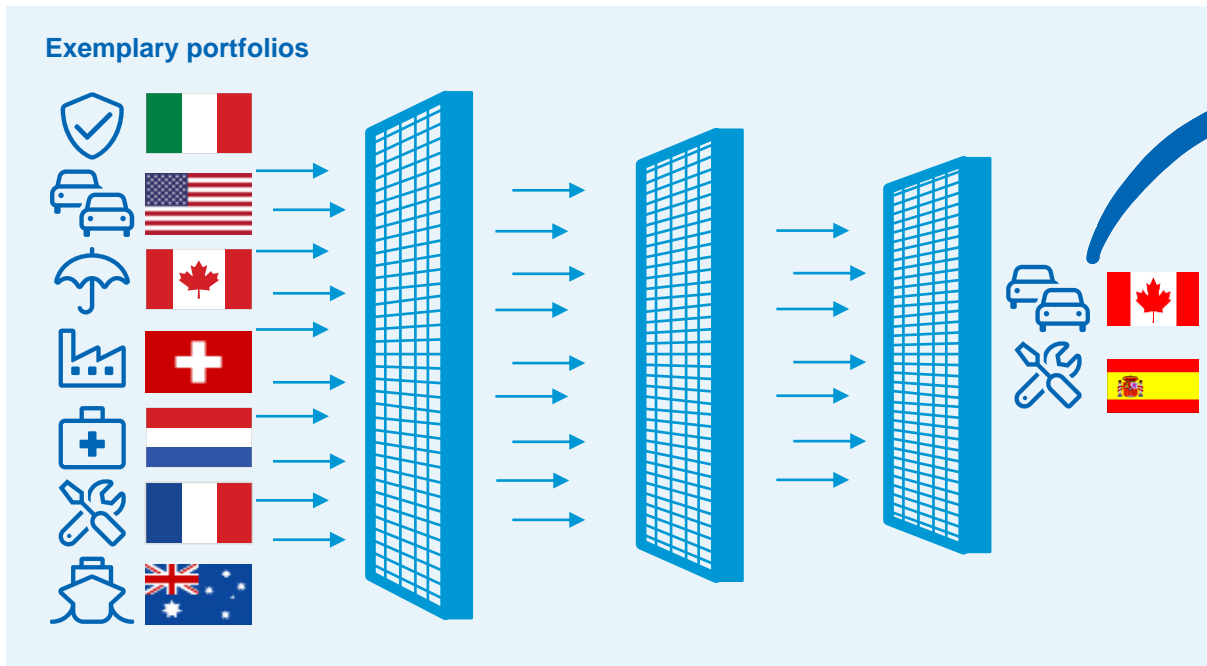
NatCat de-risking²



Our way forward

3 Stringent portfolio management process implemented

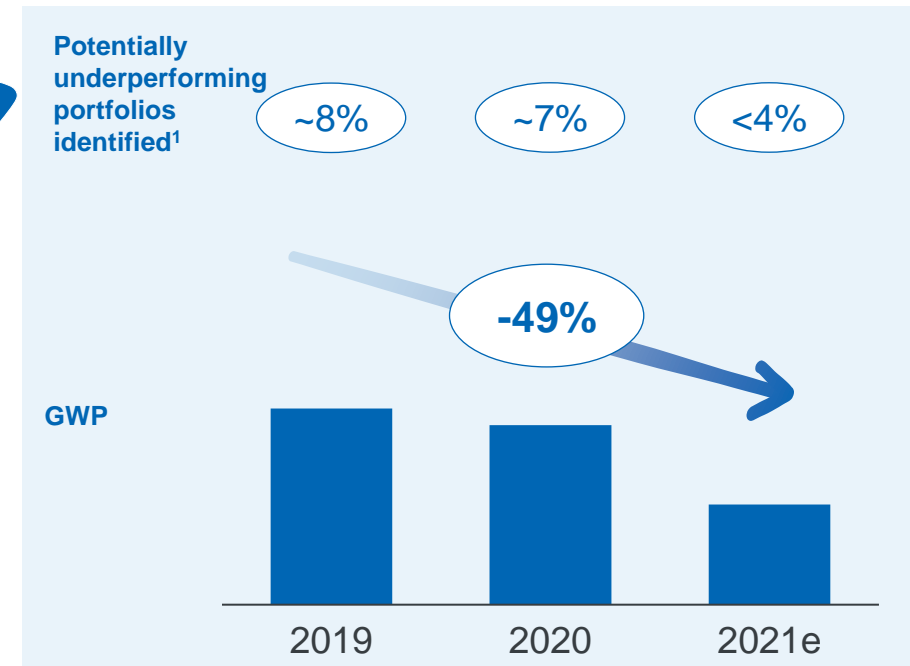
Portfolio screening



Rigid screening process to identify critical sub-portfolios

1 in % of GWP Industrial Lines

Continued portfolio improvement

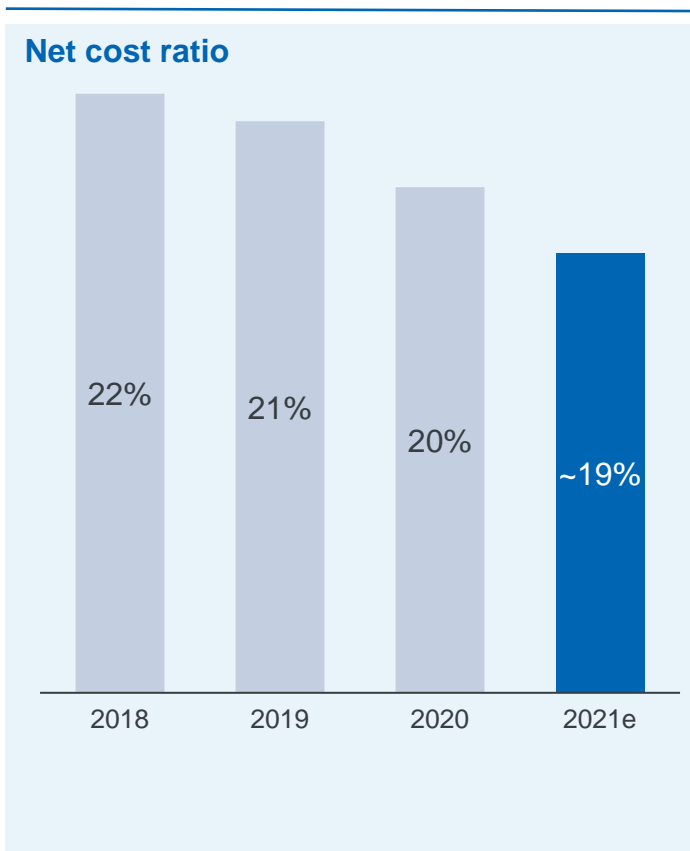


Visible decrease in high risk portfolios over the course of 3 years

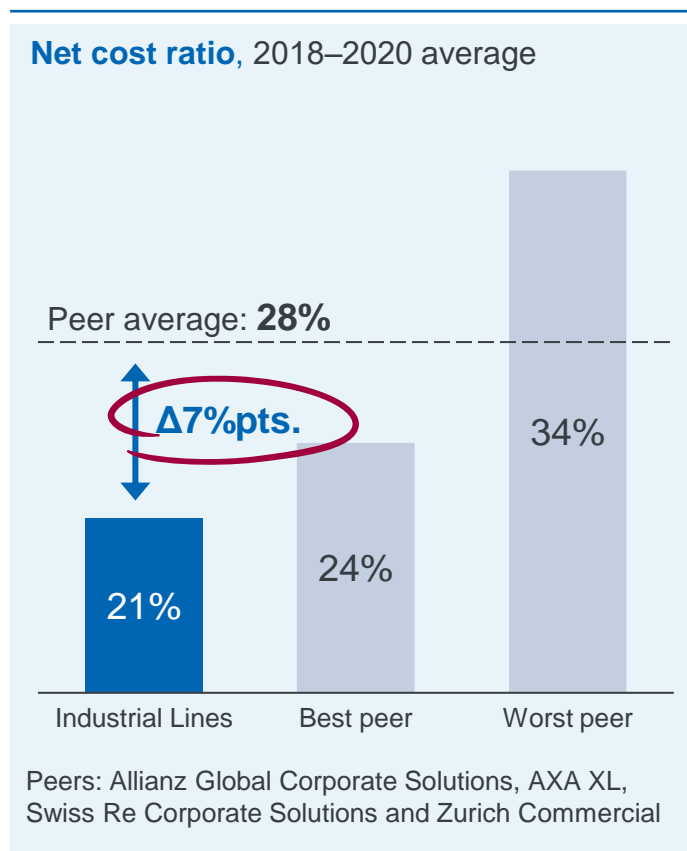
Our way forward

4 Cost leader – 7%pts. better than peers

Cost ratio...



... compared to our peers



We are the cost leader

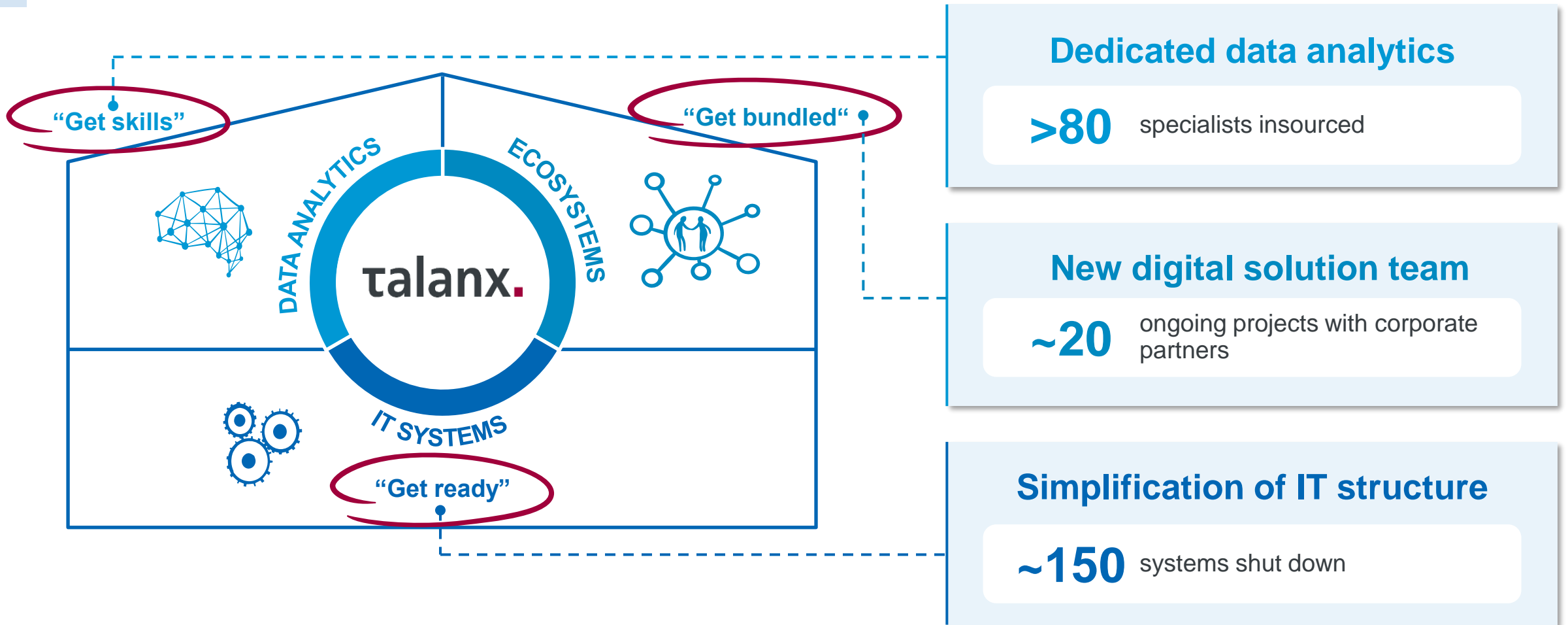
✓
Low **administrative costs**
due to lean operating model

✓
Reduced **acquisition cost**

✓
Increased **fee income**
from non-risk services

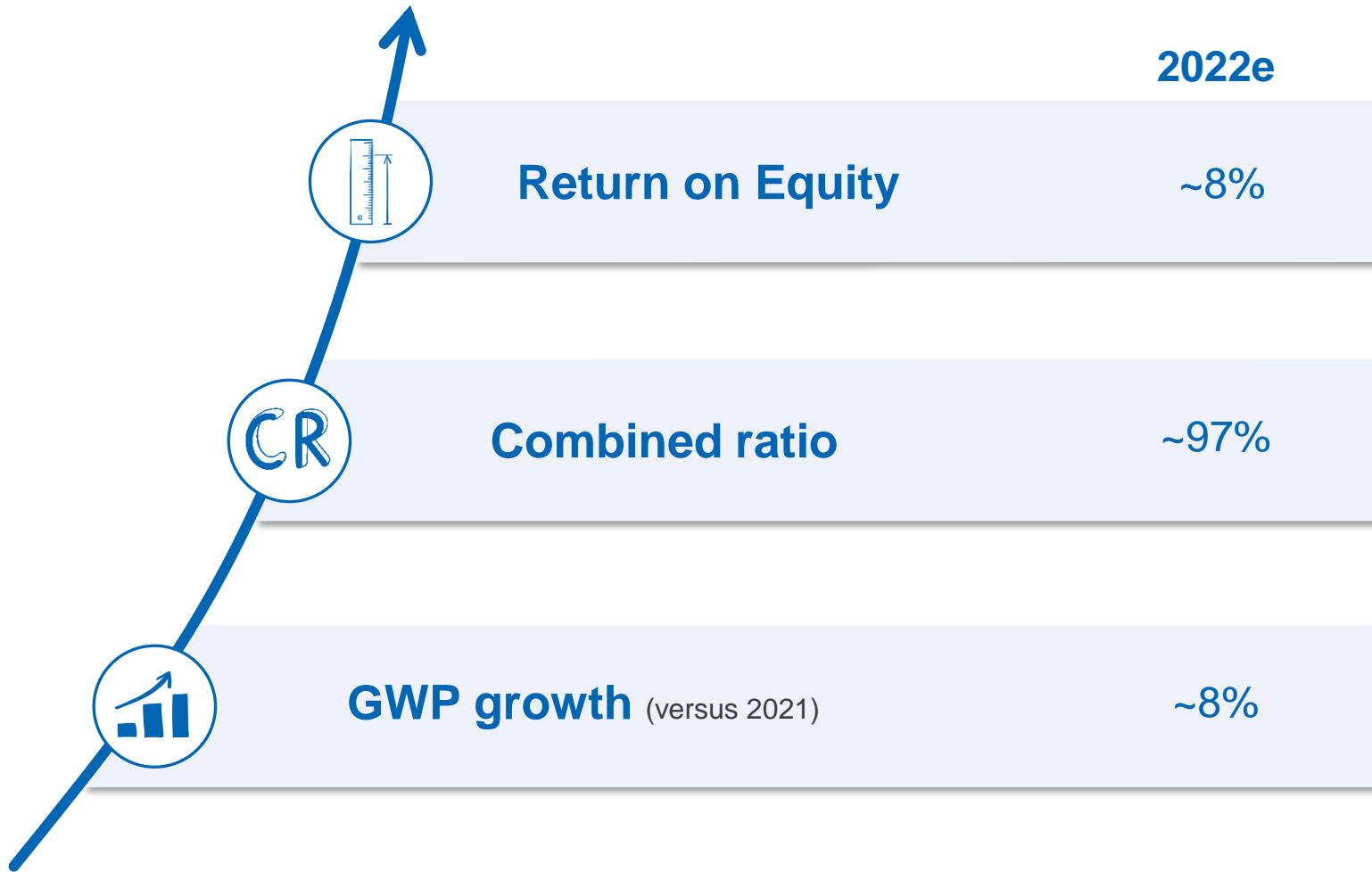
Our way forward

5 Digital transformation efforts along three core topics are well under way



Our way forward

Dedicated to double-digit RoE by 2025



Ambition
2025

**RoE
>10%**

Key messages



We **increased** our **ambition level** RoE 2025 >10%



We have **promised** and **delivered**

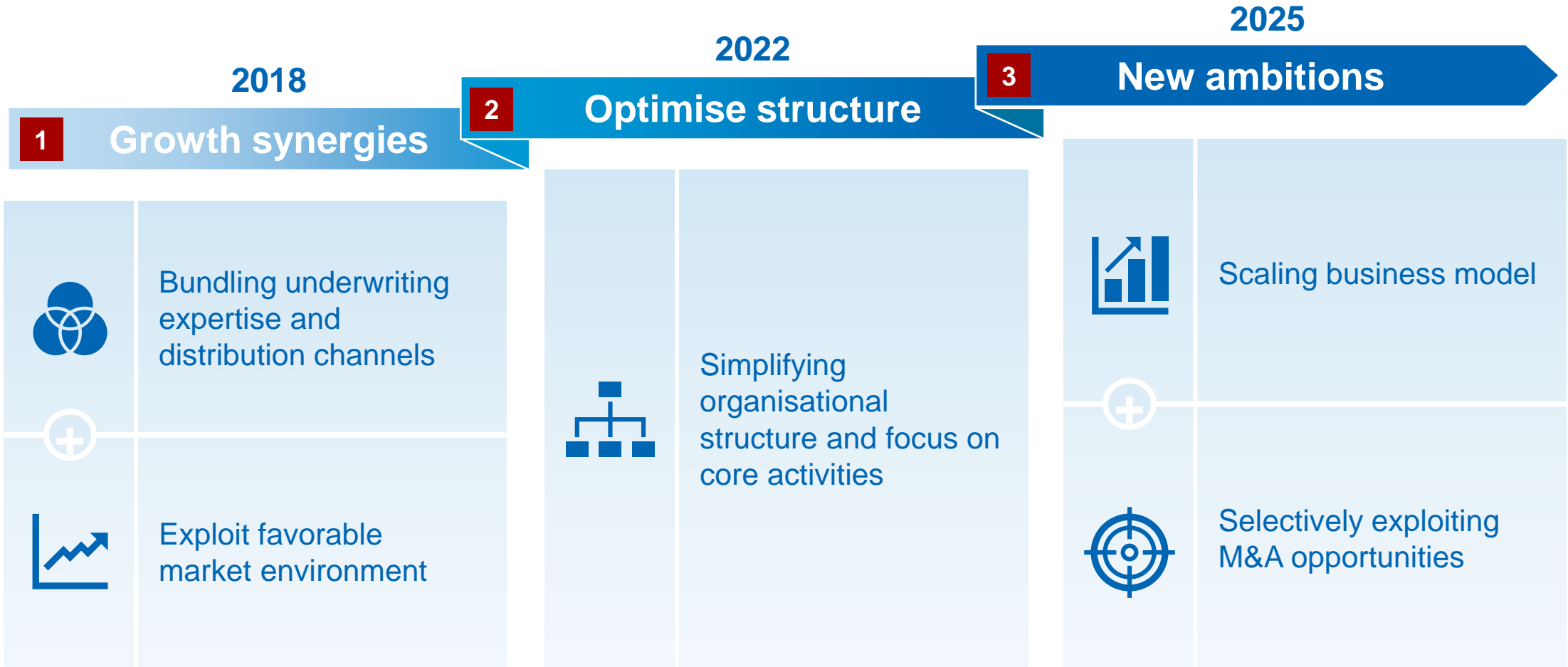


We accelerate **global growth** –
commercial & specialty

Agenda of the day

I	Group Strategy	Torsten Leue	
II	Group Financials	Jan Wicke	
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VI	Retail Germany	Christopher Lohmann	
VII	Final Remarks	Torsten Leue	

HDI Global Specialty is a true success story



Forming a focused global specialty player

Recap
CMD 2018

Players in specialty market

Global specialty players

Focus
pays off

Combining our strength in Specialty creates a **global specialty player**

Specialty part of Commercial

as an "add-on" for multi-line players (<20%)

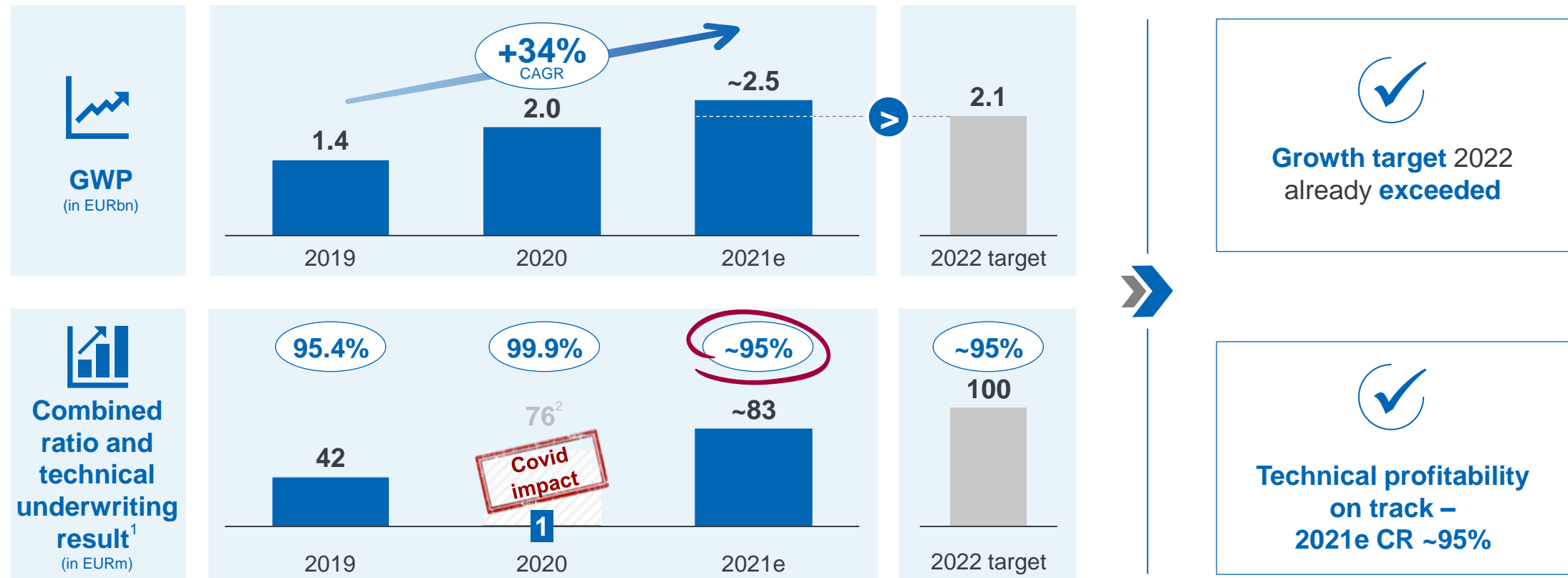
Highly specialised niche players

with a focus on specific regions / lines

1 Growth synergies

Specialty has delivered: Initial growth ambition already outperformed

Targets

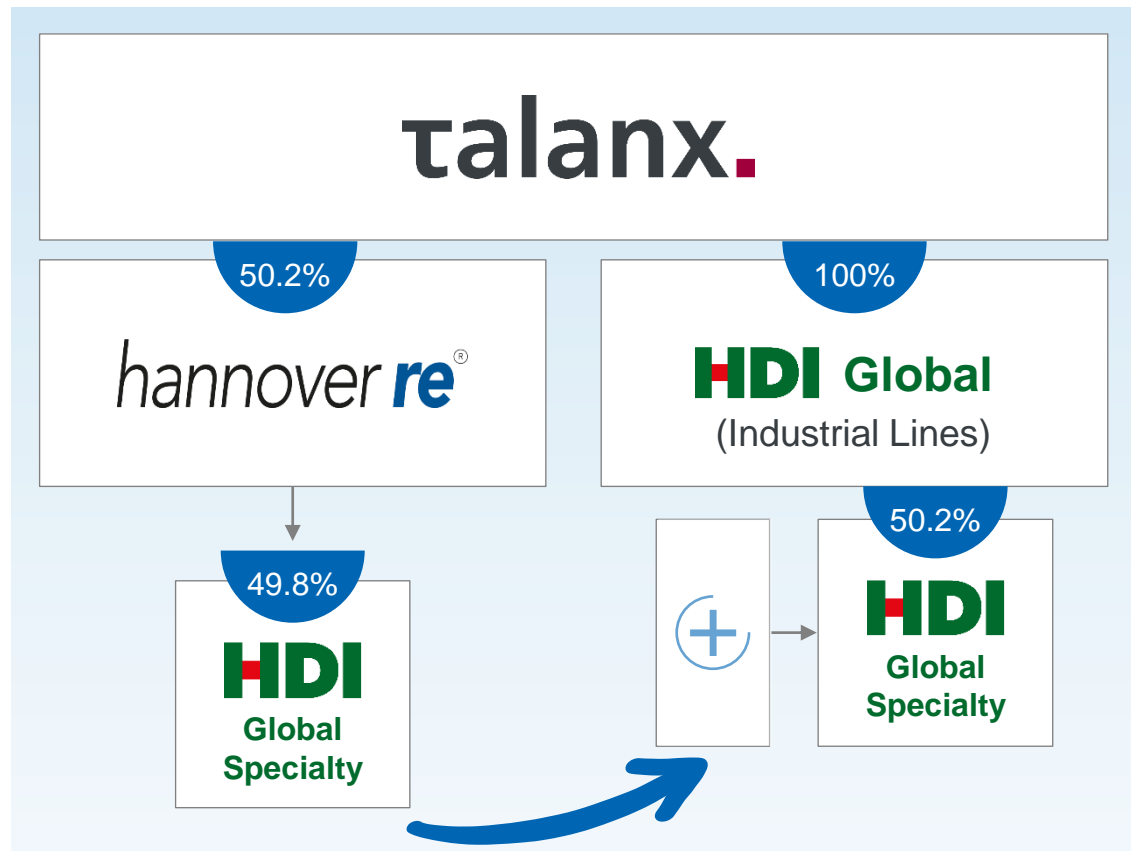


1 Managed portfolio before internal reinsurance and minorities; including cost reimbursement for fronted business. 2 Combined ratio for 2020 of 99.9% adjusted for EUR 75m Corona-related claims, assuming no premiums impact, no absorption by otherwise unused large loss budget and no offsetting effect.

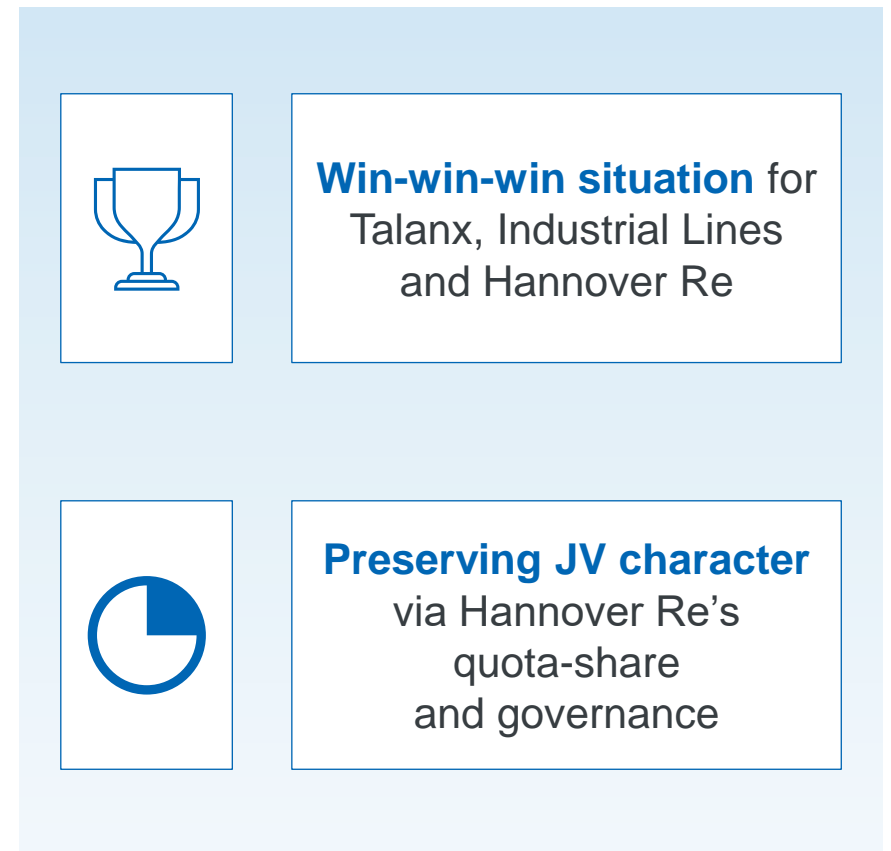
2 Optimising structure

Current focus is on streamlining group operations and reaping synergies

Change in shareholder structure



Advantages of reorganisation

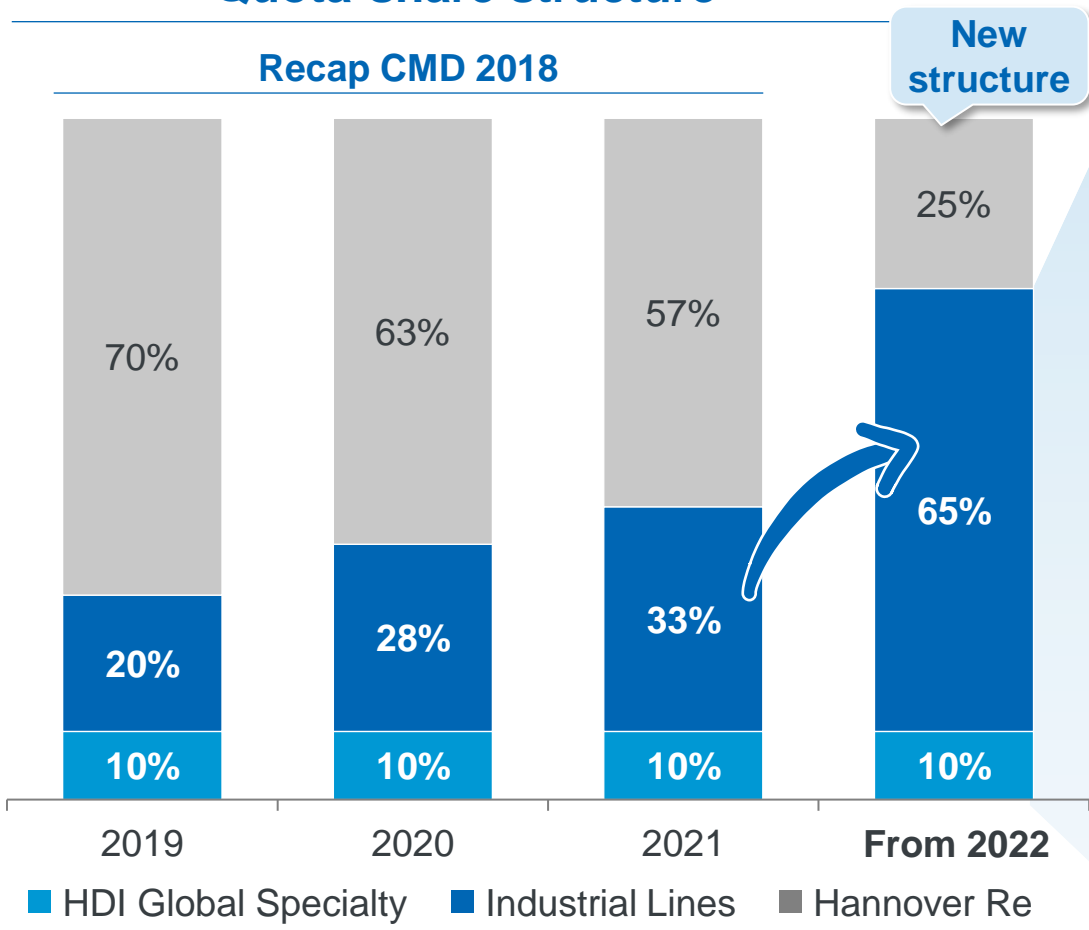


2 Optimising structure

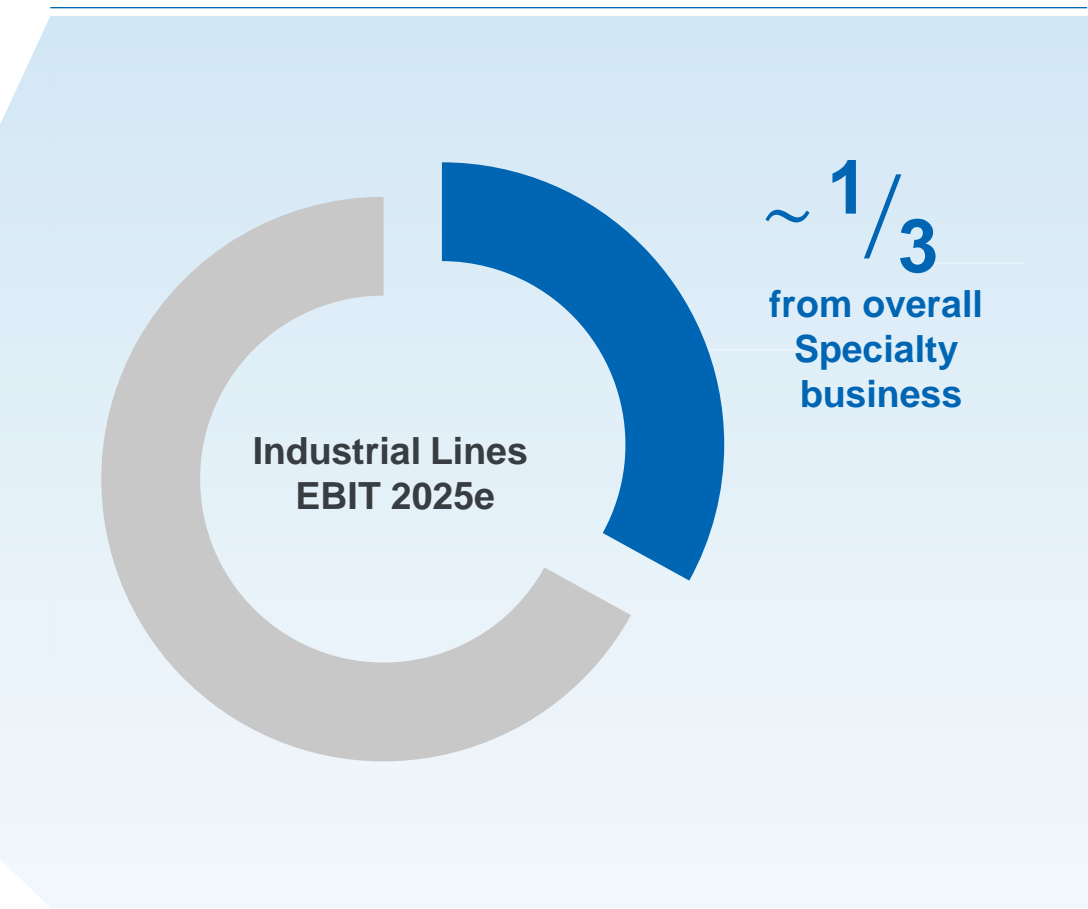
Specialty will become a significant contributor to Industrial Lines' profitability

Quota-share structure

Recap CMD 2018



Contribution to Industrial Lines' EBIT¹

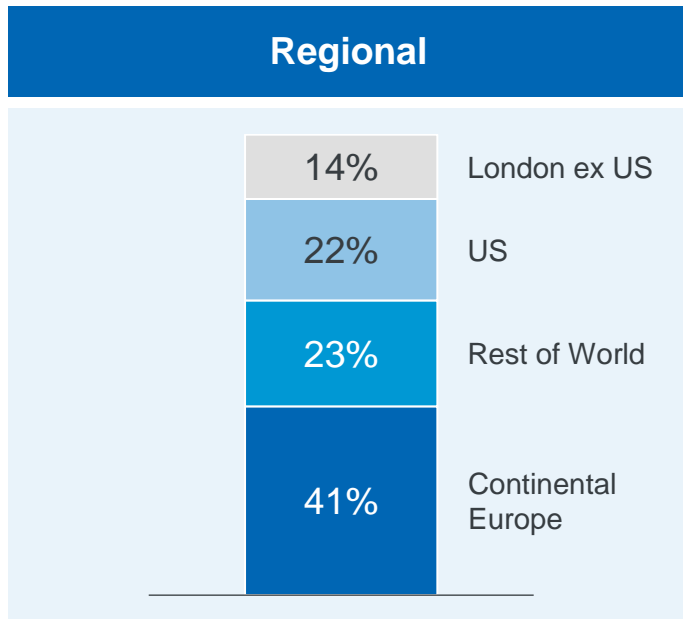


¹ Calculated as Specialty consolidated in Industrial Lines

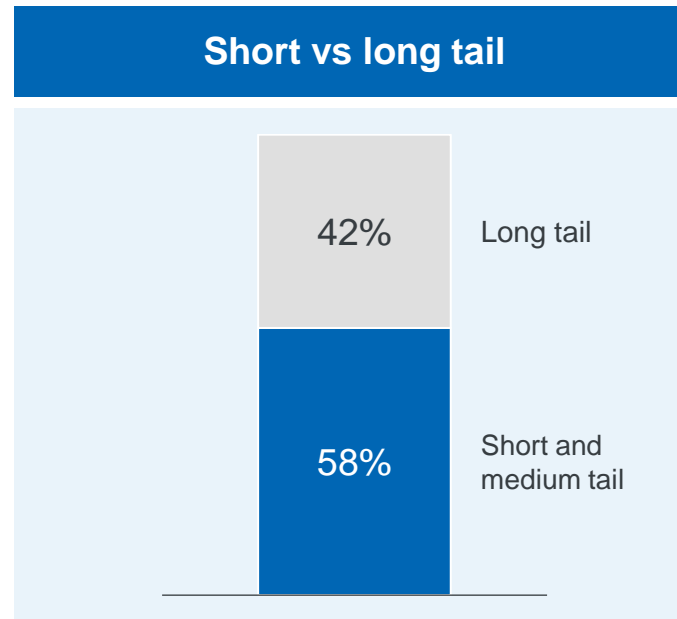
2 Optimising structure

HDI Global Specialty has a very well diversified portfolio providing future stability

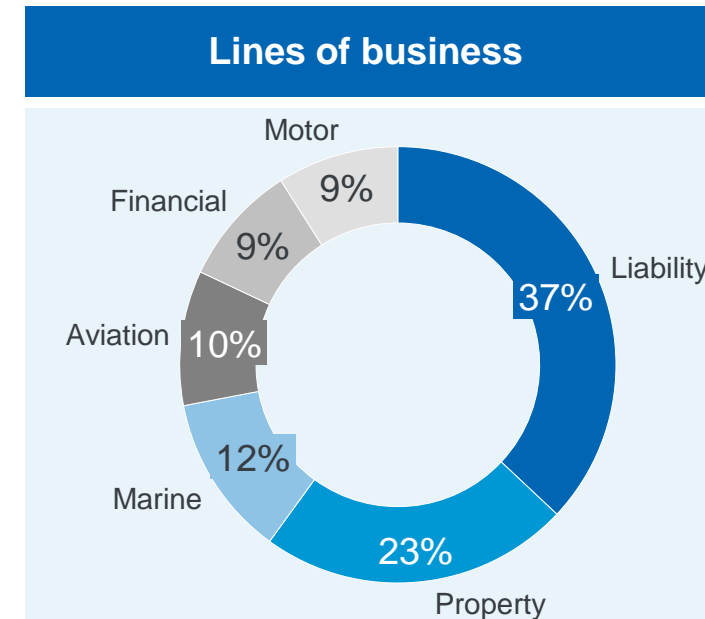
2021e portfolio structure¹ in % of GWP



Excellent business opportunities
in Rest of World and US



Clear focus on **short-tail business**.
95% target CR on managed portfolio unchanged



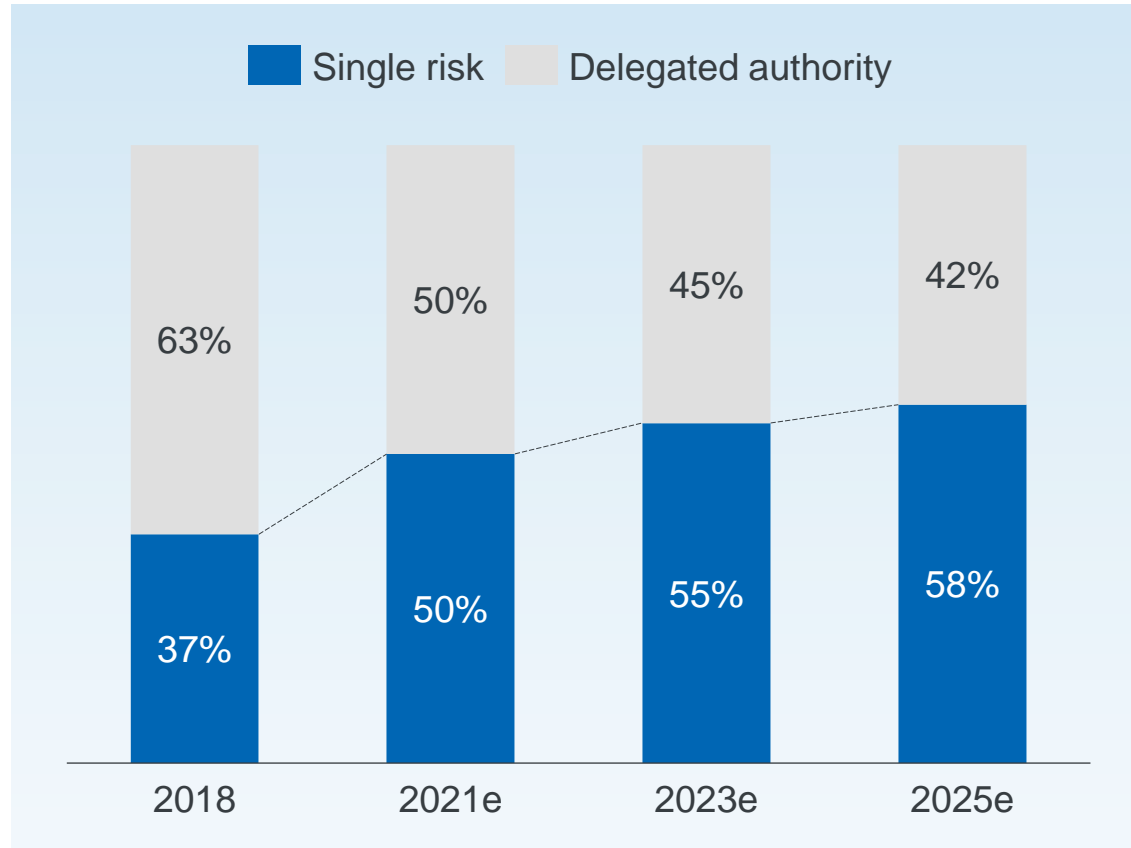
Well diversified business mix

¹ Managed portfolio excl. fronting business

2 Optimising structure

Continued focus on strategically promising business areas

GWP by single risk vs. delegated authority¹



¹ Managed portfolio excl. fronting business

Targets portfolio steering

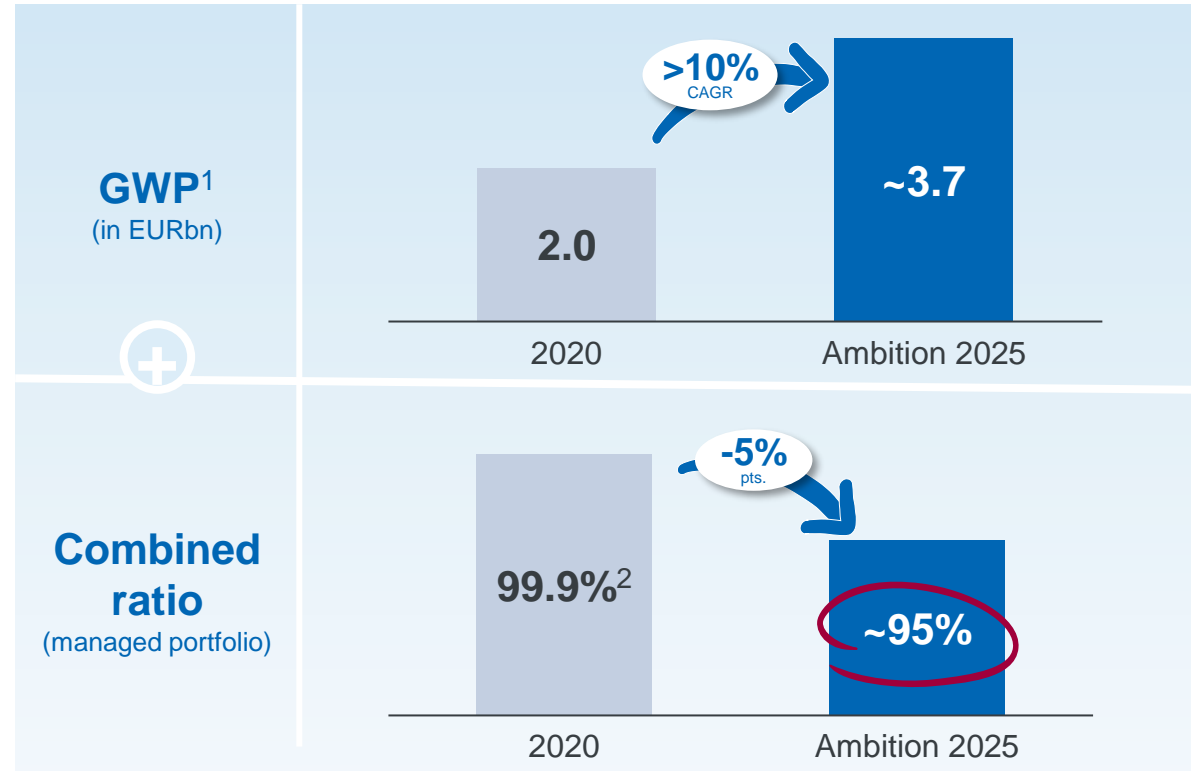
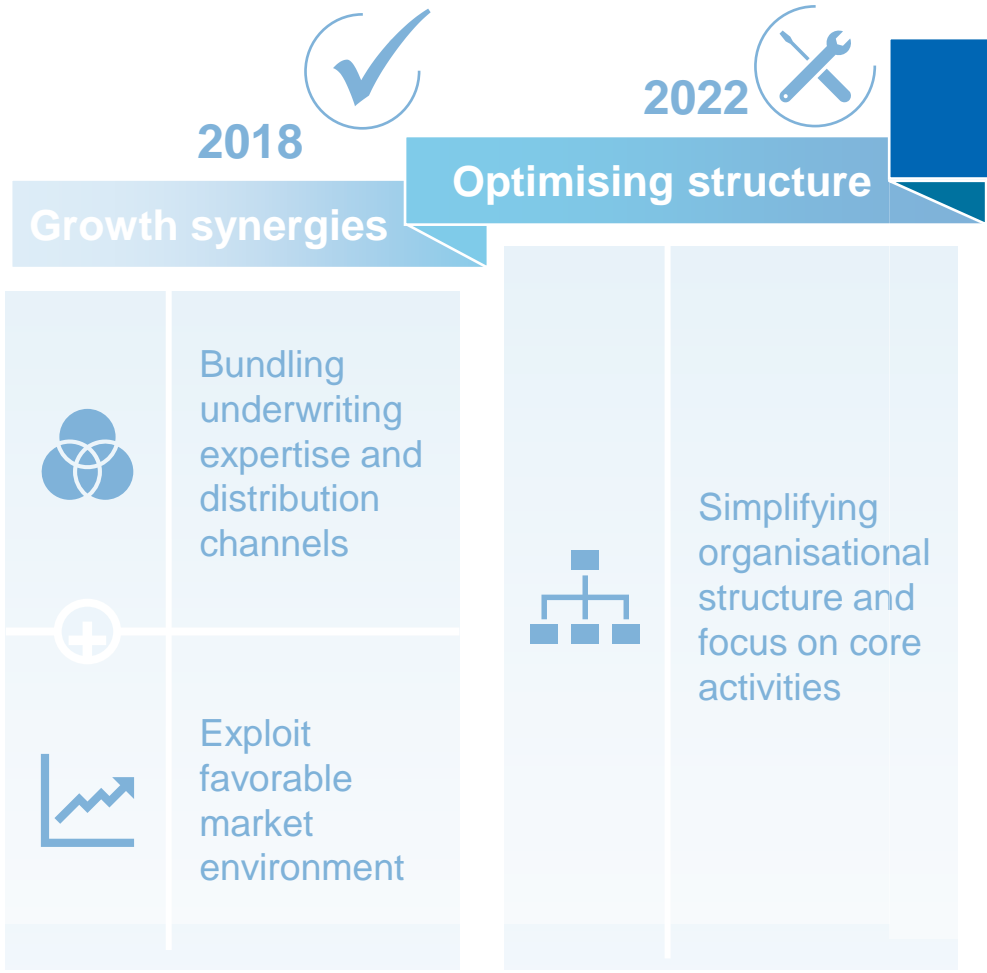
- 1 **Focus on profitable growth** in single risk business
- 2 **Very selective approach** to improve delegated authority results
- 3 Further **implementation of successful growth strategy** in both business areas

3 New ambitions

Outlook and new targets: Raising the ambitions

2025

New ambitions Scaling business model and selective growth



1 Legal result incl. fronting business. 2 Adjusted for EUR 75m Corona-related claims, combined ratio for 2020 was 94.7%.

Key messages



We delivered **strong growth** in promising lines of business



We simplify ownership structure and **streamline operations**




We **raise ambitions** to become a truly global specialty player

Agenda of the day

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Top 5 position in 4 motor markets – now targeting double-digit RoE

Promise delivered



Motor: 4 out of 5

Top 5

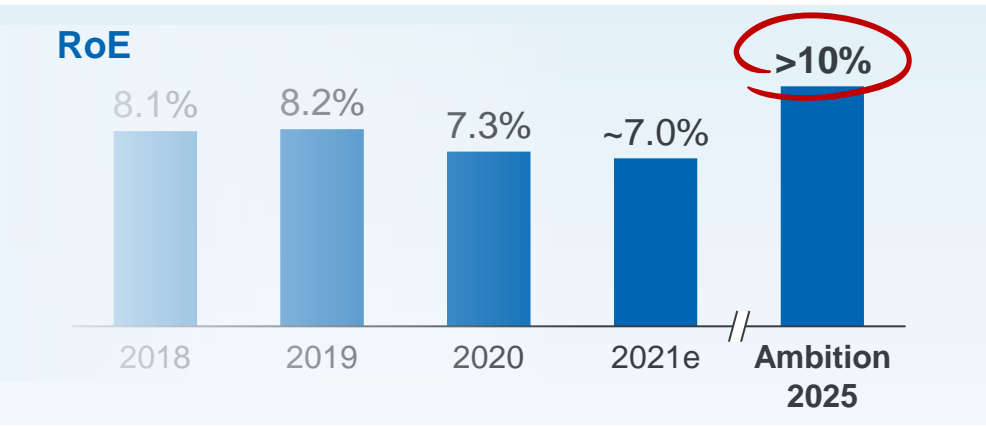


Note: Market rankings as of June 2021

Our way forward

HINext 2025

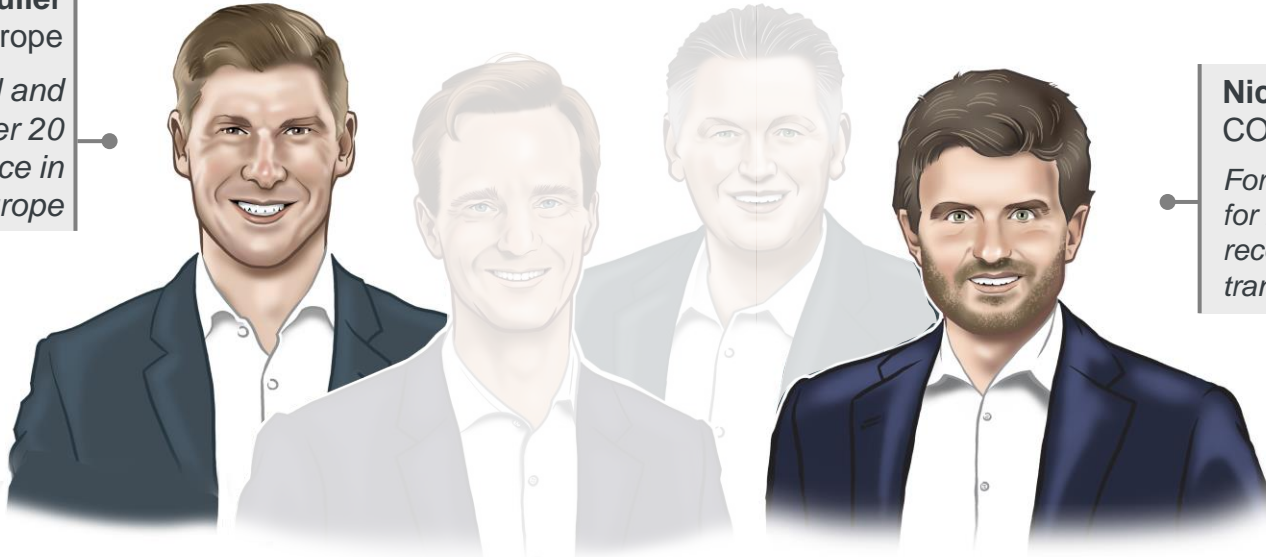
- Double-digit RoE
- Top 5 in P&C in Core Markets



Our management team

New management team in place committed to build the next chapter

New **Christian Müller**
COO Europe
Proven mathematical and actuarial skills with over 20 years of experience in Central/Eastern Europe



Oliver Schmid
CFO

Wilm Langenbach
CEO

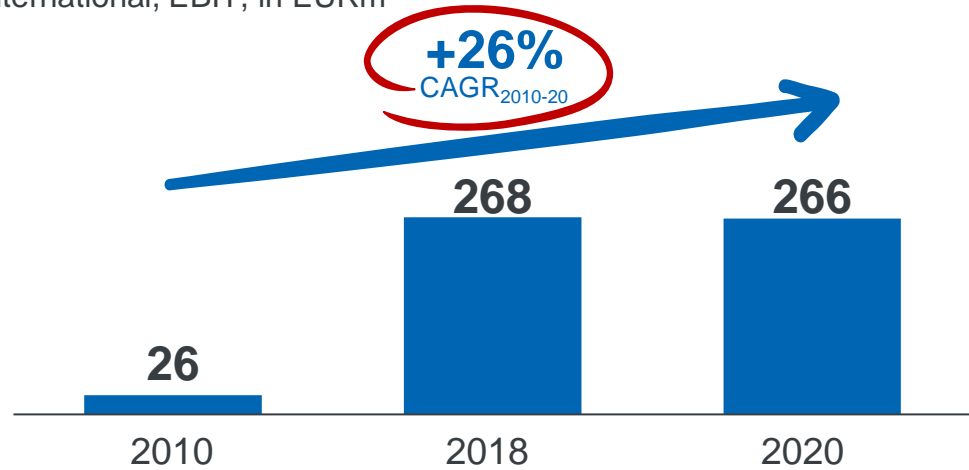
Nicolas Masjuan **New**
COO Latin America
Former senior consulting partner in LatAm for more than 10 years with proven track record in insurance business esp. transformation and digitalization

Stock take

An excellent success story since 2010 despite some economic headwinds

Key indicators

Retail International, EBIT, in EURm



RoE

-3.0%¹

8.1%

7.3%

Contribution to Group net income

n.m.

23%

24%

¹ Negative net income in 2010 (non-tax-deductible losses)

Key strengths to build on

Financial solidity

Solid earnings & strong reserves

M&A / PMI² track record

Successful & disciplined

Decentralised structure

Strong entrepreneurial drive

For future success

Outperforming peers

Reinforcing technical excellence

Higher diversification

New growth initiatives (regions/LoBs)

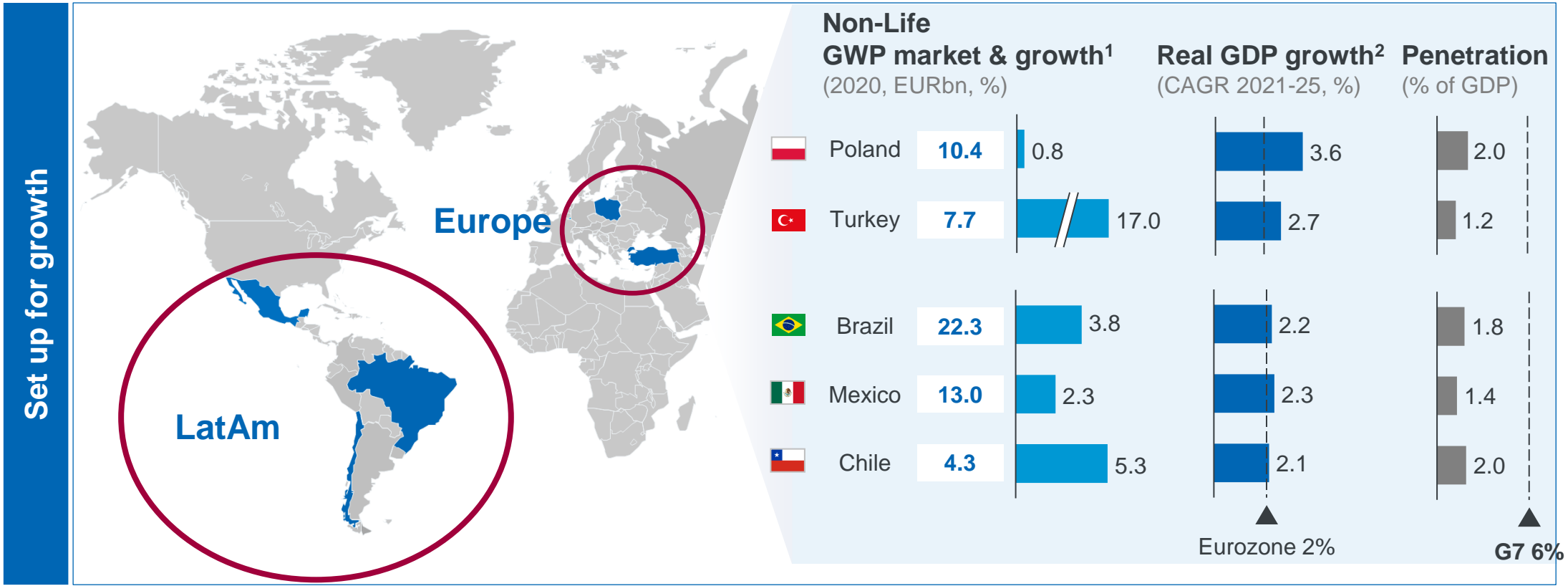
Digital transformation / Partnerships

Focus on impact

² Post-merger integration

Our focus

Target regions offer attractive growth potential – despite some volatility



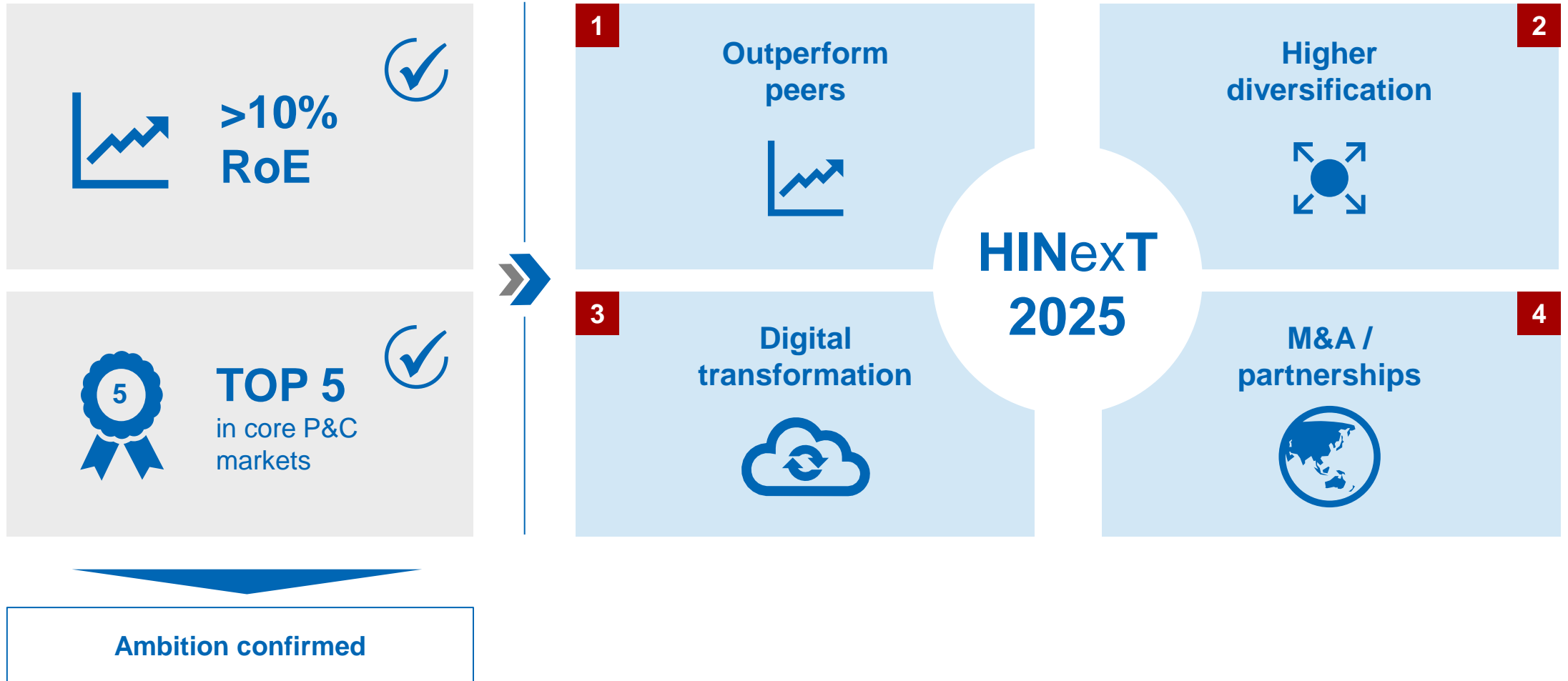
Capture additional growth options

Clear focus on most promising growth markets in Europe and LatAm - Southeast Asia under review

¹ Source: Swiss Re Sigma 03/2021
² Source: Oxford Economics, October 2021

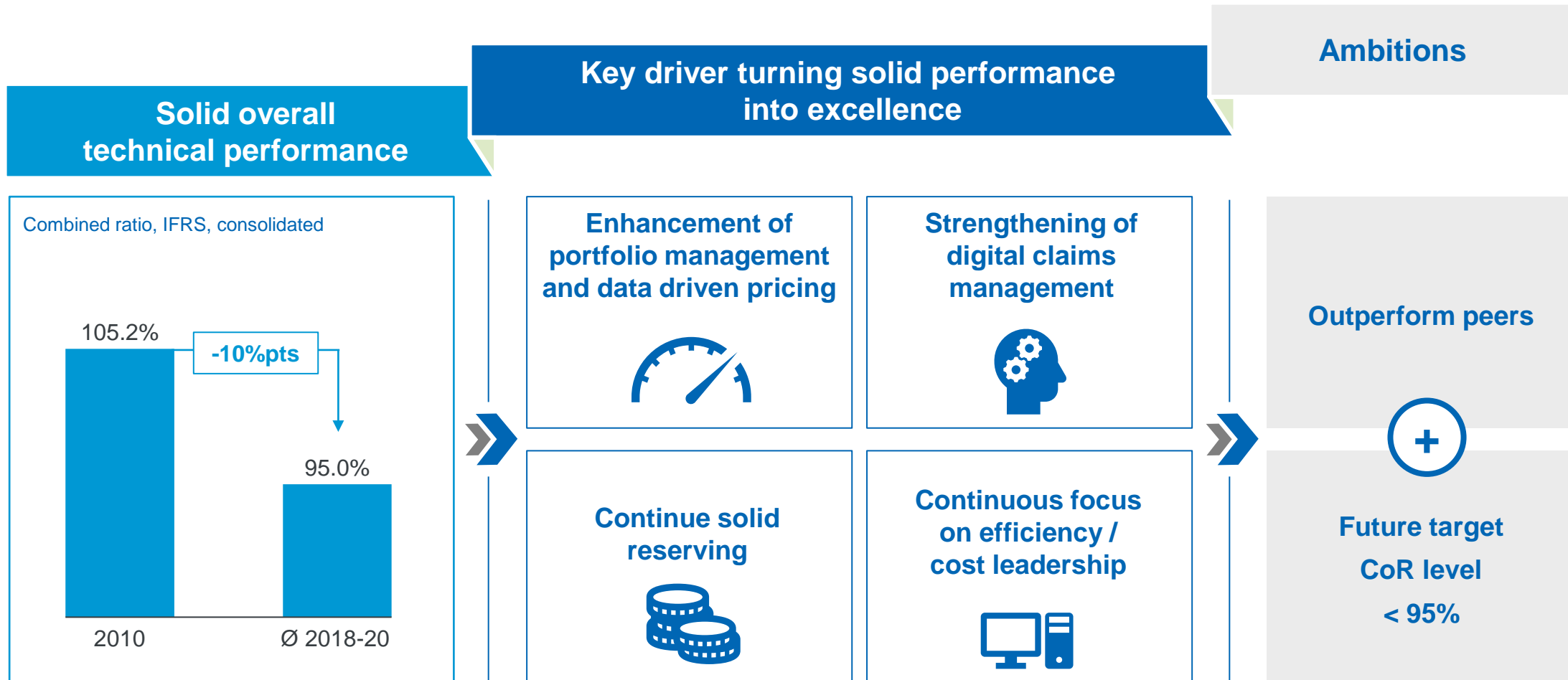
Our strategy

Our strategy – defining the next chapter for Retail International



1 Outperform peers

Further reinforcing technical excellence

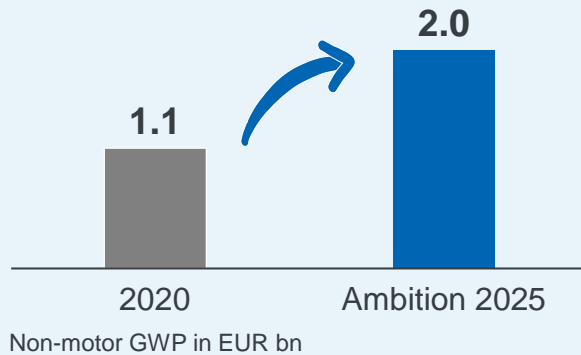


2 Higher diversification

Supporting profitable growth by portfolio diversification

Non-motor

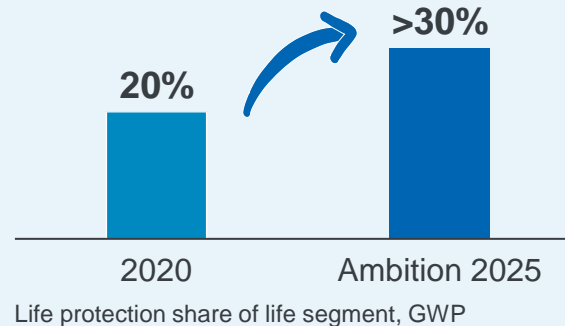
- Grow non-motor share profitably by EUR 900m
- Focus on SME / Mid Markets



Reducing dependence
on motor business
(<65% of non-life GWP)¹

Life Protection

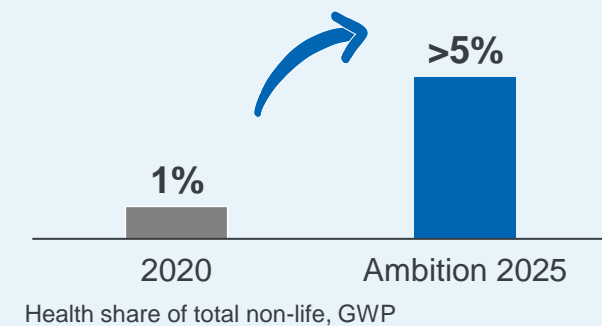
- Scale up Life Protection, which offers growth opportunities with attractive margins
- De-risk Life savings and reduce Life share significantly²



Strong **growth** of **Risk Life business**
expected with
EUR ~130m GWP

Health

- Enter “non-life“ Health with specialized partners like Bupa
- Sizable and growing LoB with attractive margins in most countries

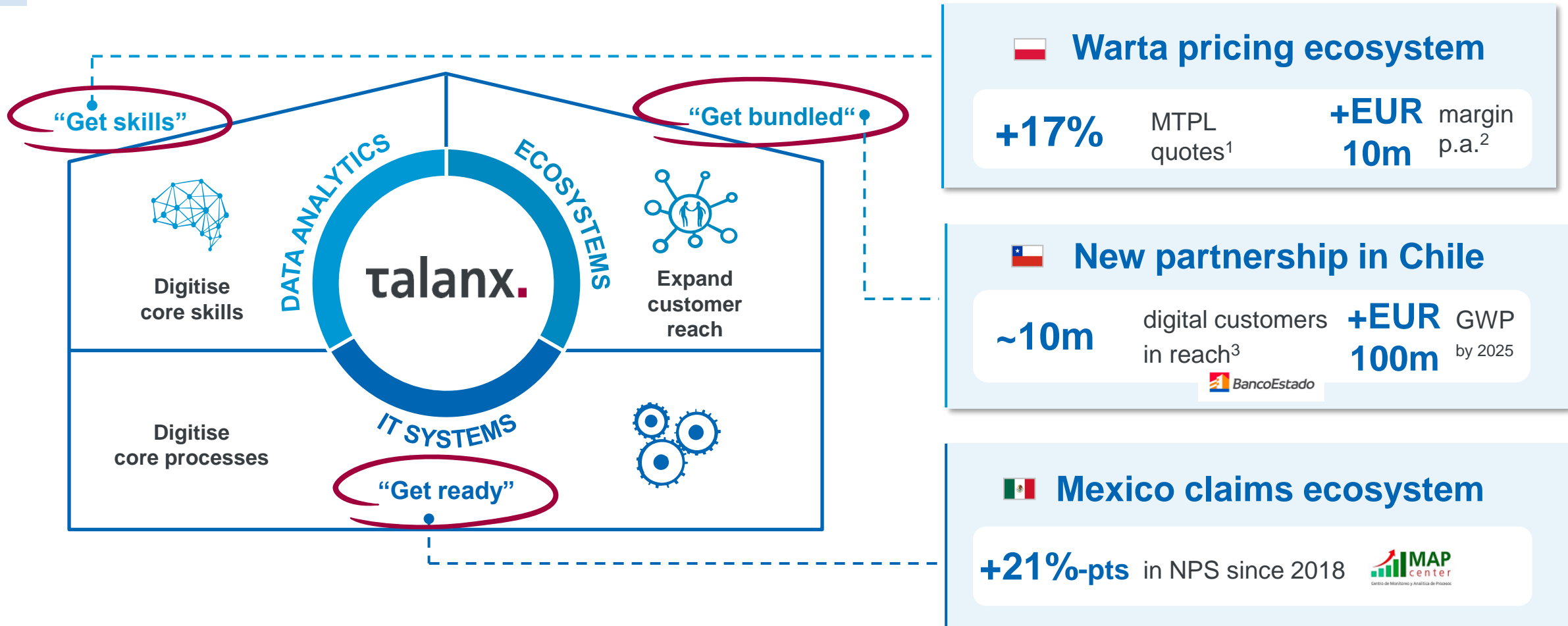


Started in Turkey,
piloting in Mexico and Poland with
EUR ~250m GWP potential

¹ Approx. 70% in 2020. ² Target is to reduce Life share of Retail International GWP from 32% in 2020 to ~20% in 2025

3 Digital transformation

Digital transformation along three core topics well under way



Note: MTPL = Motor Third Party Liability. NPS = Net Promotor Score. 1 June 2021 vs. average June 2017-2019. 2 Average 2017-2019. 3 As of December 2020

4 M&A / partnerships

Continued discipline with focus on LatAm & Europe

Recent M&A and partnership transactions



First priority LatAm and Europe

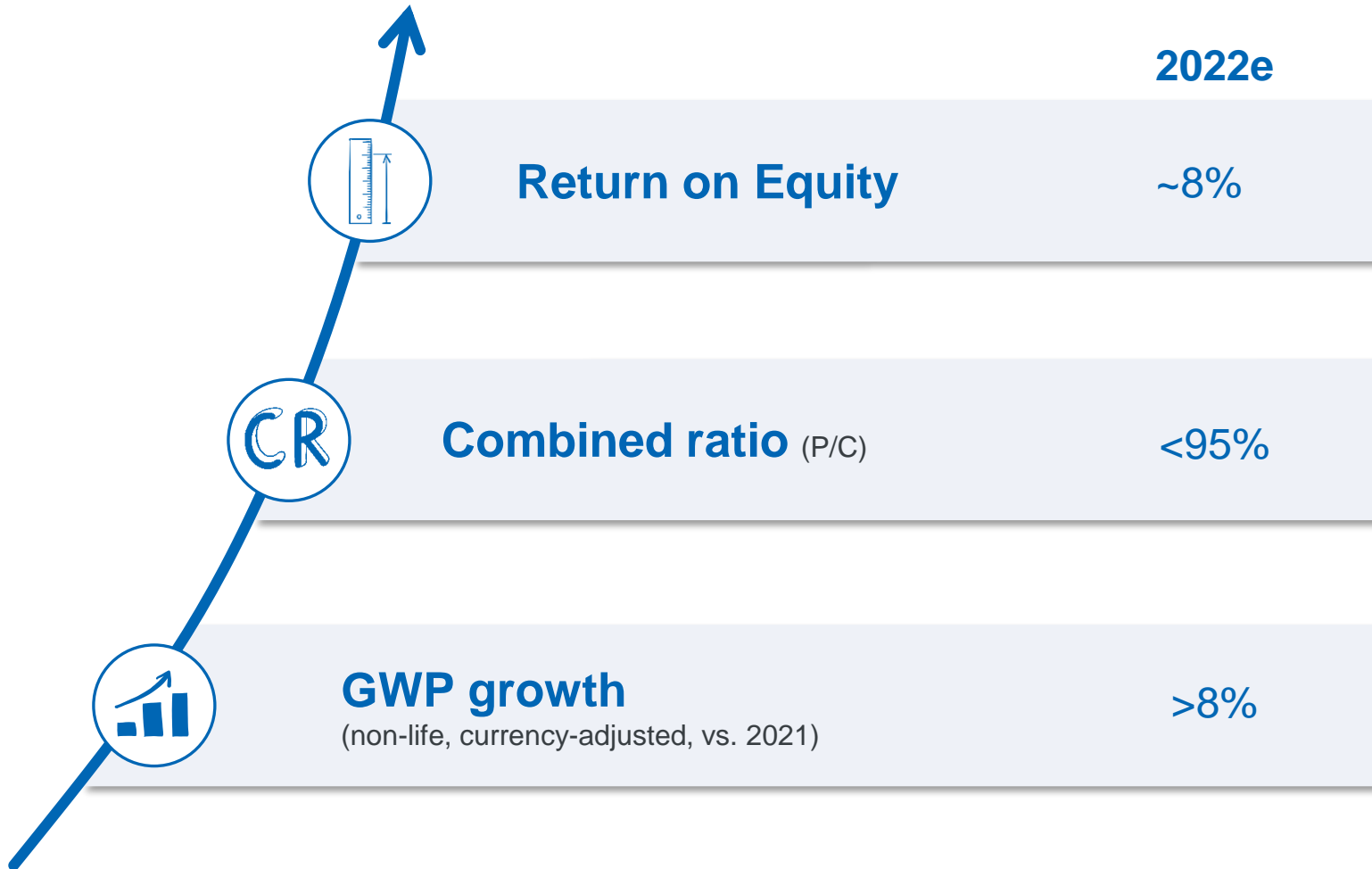
Note: Ranks as of 2020

Assessment criteria

	 BancoEstado	 amisima
Focus on growth regions	✓	✗
Improving competitive position	✓	✓
Focus on non-life & diversification	✓	✓
RoE-enhancing	✓	✓
EPS-accretive	✓	✓

Our way forward

HINexT 2025 – Focus on double-digit RoE



Key messages



We deliver RoE ambition >10% & Top 5 in P&C core markets



We focus on organic and inorganic profitable growth



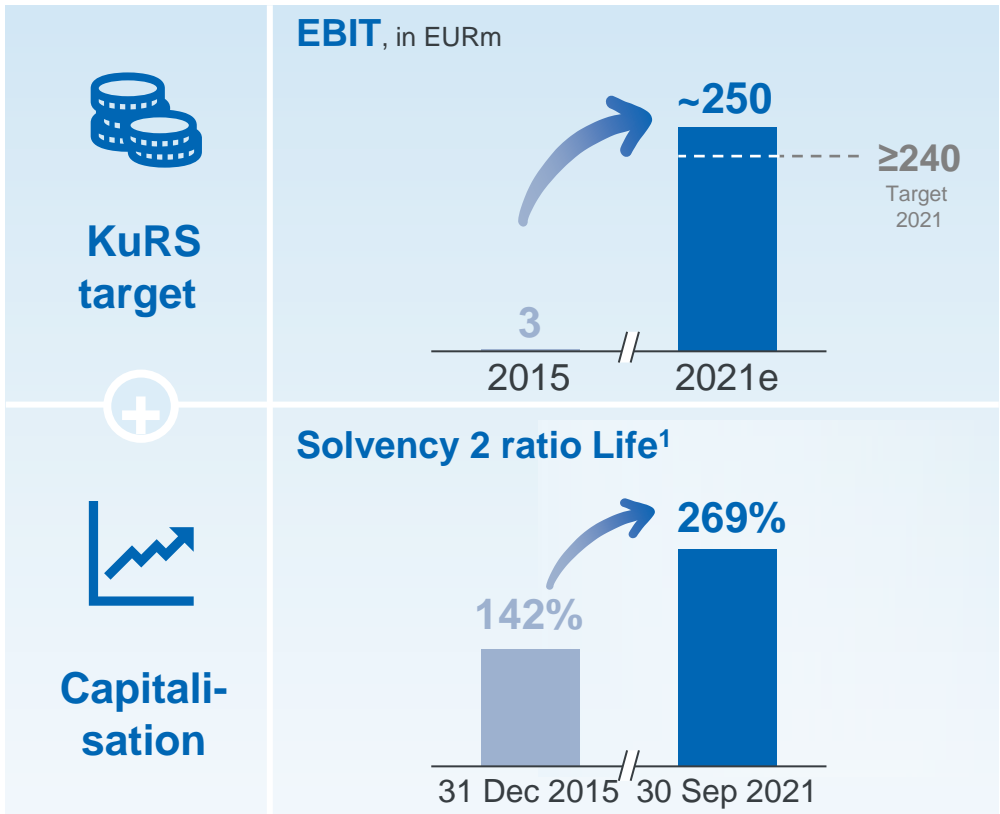
We build a more balanced portfolio

Agenda of the day

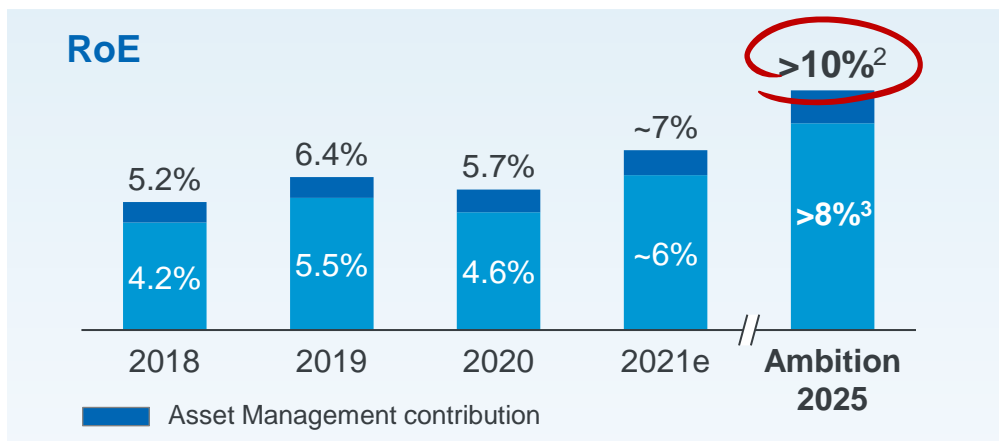
I	Group Strategy	Torsten Leue	
II	Group Financials	Jan Wicke	
III	Industrial Lines	Edgar Puls	
IV	HDI Global Specialty	Ulrich Wallin	
V	Retail International	Wilm Langenbach	
VI	Retail Germany	Christopher Lohmann	
VII	Final Remarks	Torsten Leue	

KuRS promise delivered – Now targeting double-digit RoE

Promise delivered Our way forward



- Double-digit RoE
- Leading player for SME and bancassurance
- Focused life business and de-risking



1 As-if-merged Solvency Capital Adequacy Ratio for the four German life entities. Change 30 September versus 30 June 2021 (224%) mainly due to refinement of model. 2 RoE including Asset Management contribution. 3 RoE as reported

Our team

New management committed to GO25 targets

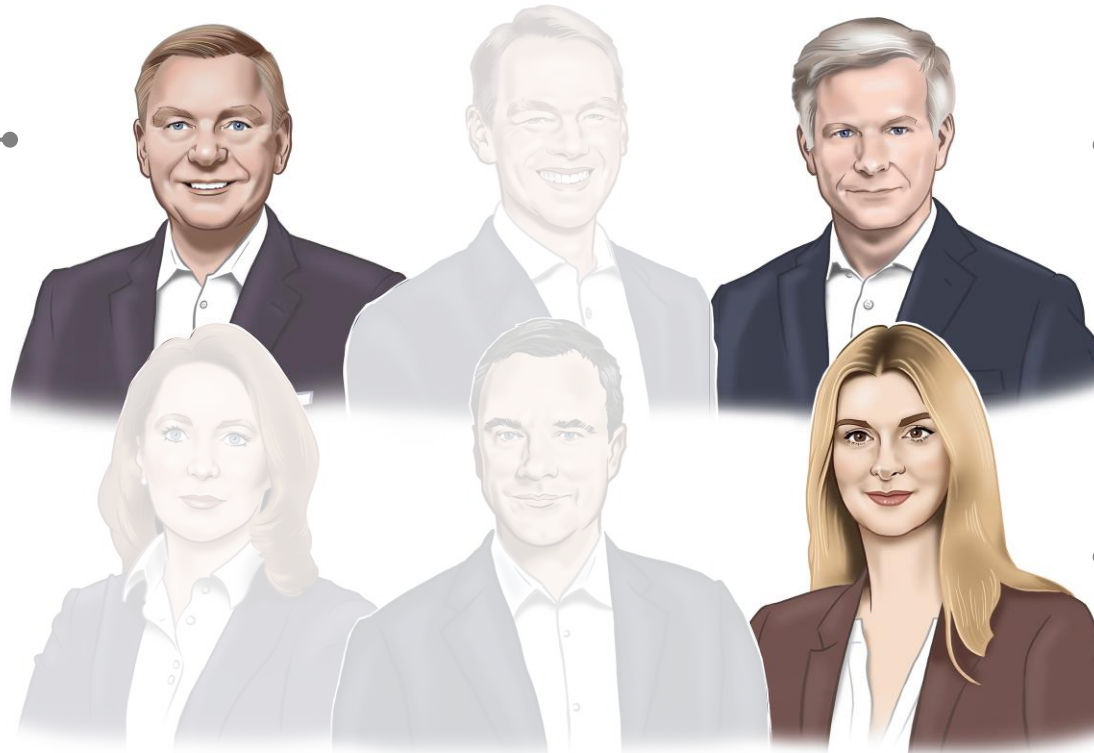
Jens Warkentin
CFO

Herbert Rogenhofer *New*
P/C

Thoroughbred entrepreneur with deep IT and P/C skills

Sven Lixenfeld *New*
Life

Highly esteemed Life and IT expert, former consulting partner and insurance board member



Stefanie Schlick *New*
Marketing and distribution

Truly client-centric leader with various senior executive positions in insurance marketing, distribution and operations

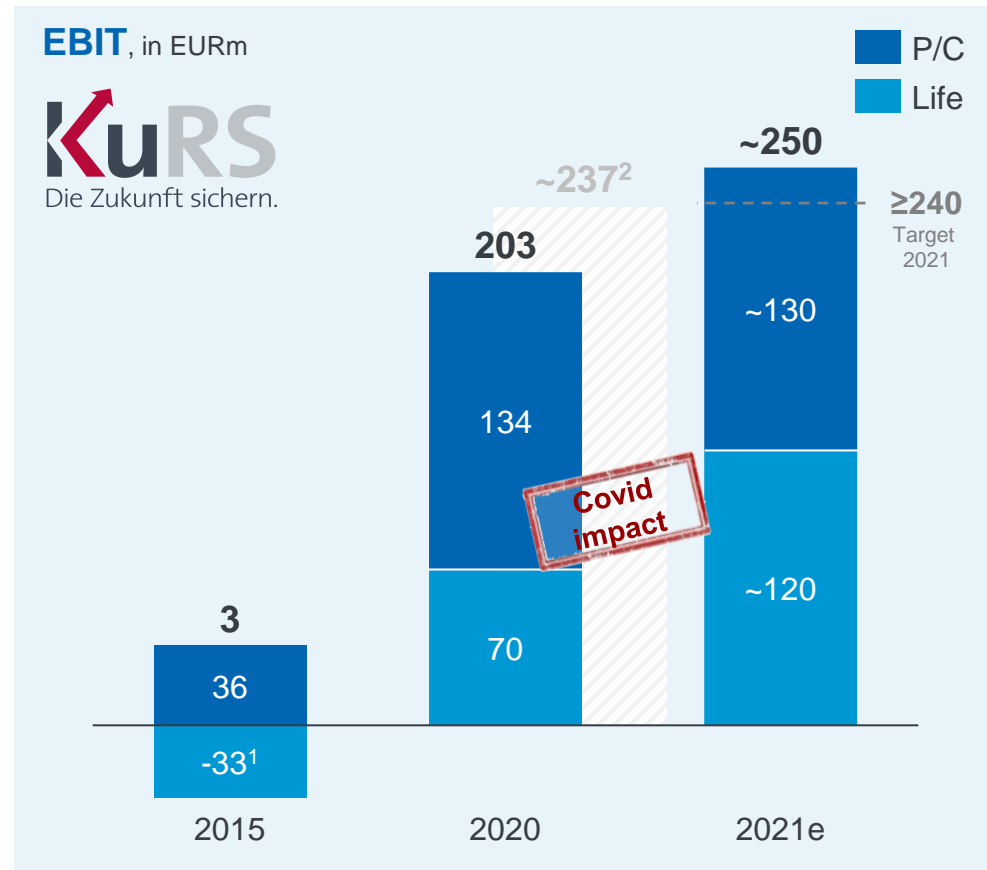
Iris Kremers
Bancassurance

Christopher Lohmann
CEO

Promise delivered

KuRS successfully executed with focus on stabilisation

Earnings growth



1 Including holding functions 2 Adjusted for Covid 19 effect of EUR -34m. 3 Source: Gesamtverband der deutschen Versicherungswirtschaft. 4 As-if merged Solvency 2 ratio for the four German life entities. Change 30 September versus 30 June 2021 (224%) mainly due to refinement of model

Key strengths to build on

- **Strong growth in SME**
GWP +6% CAGR (2015-2021e)
- **Market-leading position in bancassurance**
9.9% market share in new business (APE, 2020)³
- **Solid solvency position**
+127%pts Solvency 2 ratio (Dec 2015 - Sep 2021)⁴

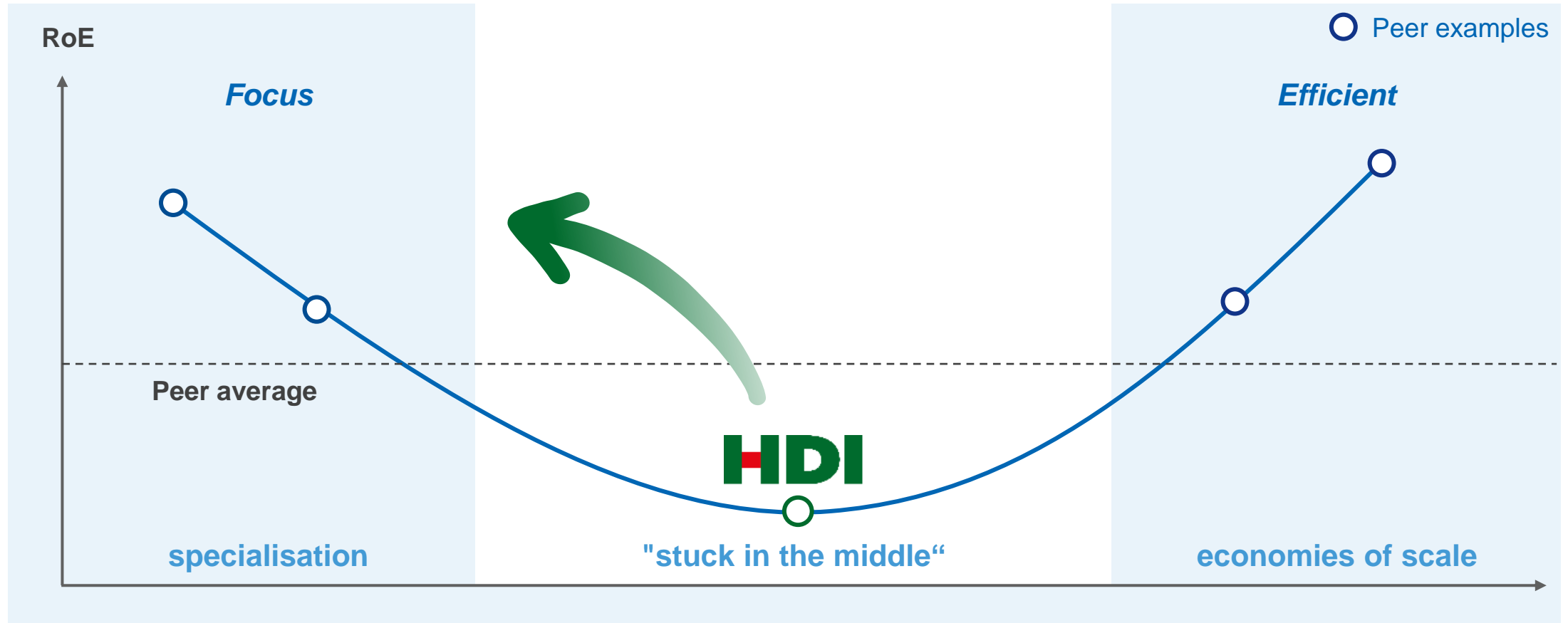
Our way forward

- **Continue to de-risk Life**
- **Close cost gap**
- **Focus the business model**

Our way forward

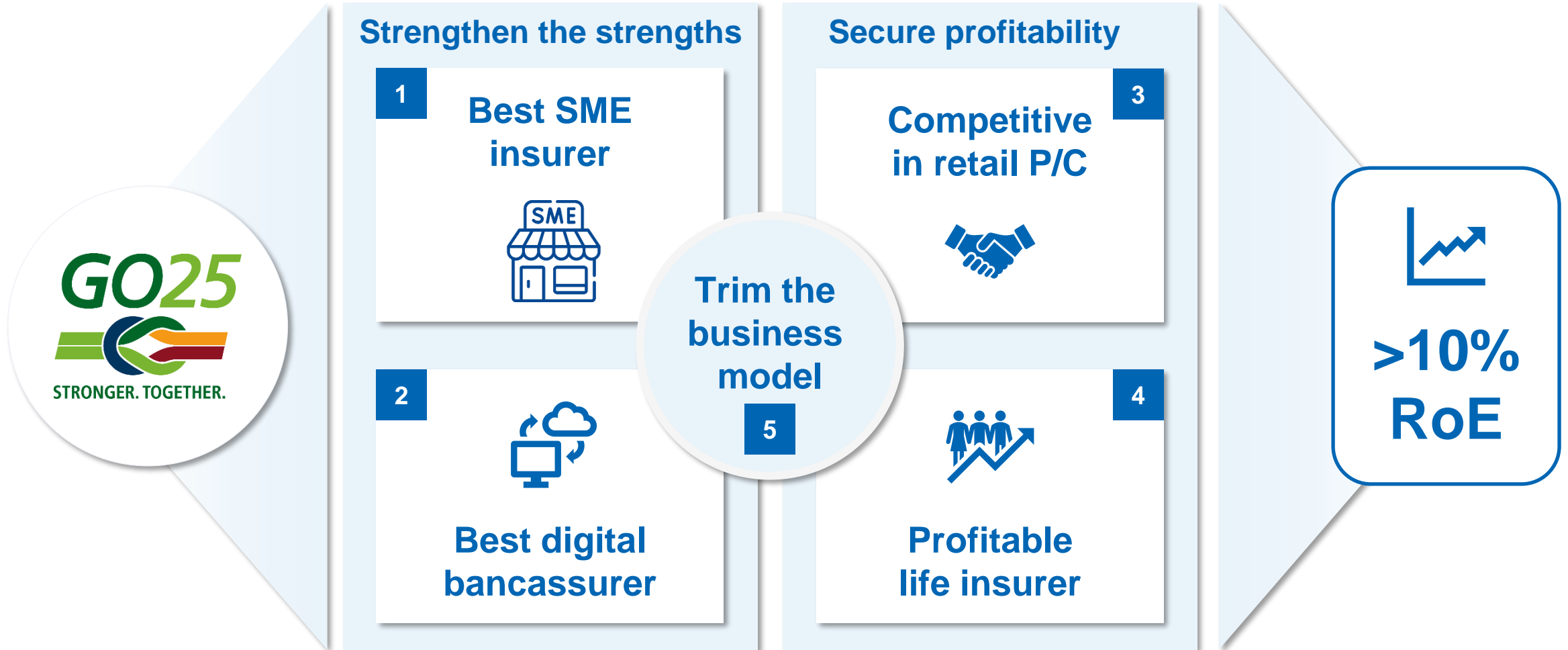
GO25 repositions Retail Germany as focused player

Market position



Our way forward

Focused strategy for future success



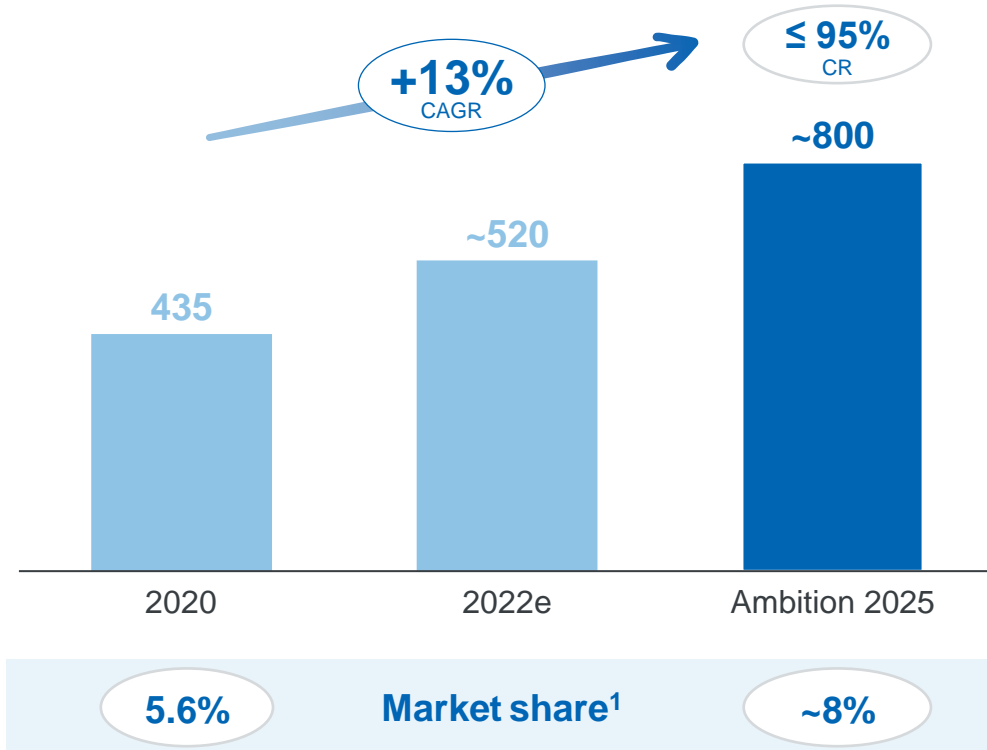
Note: RoE includes Asset Management contribution; RoE 2025e without Asset Management: >8%

1 Best SME insurer

Transform into the best insurer for SMEs

Ambition

SME and self-employed professionals, GWP in EURm



¹ Based on Retail Germany's GWP share in the German market. Market share growth is based on the assumption that the market grows 3.5% p.a. from 2021 (=average growth rate 2016-2019 according to Gesamtverband der Deutschen Versicherungswirtschaft, GDV)

Measures

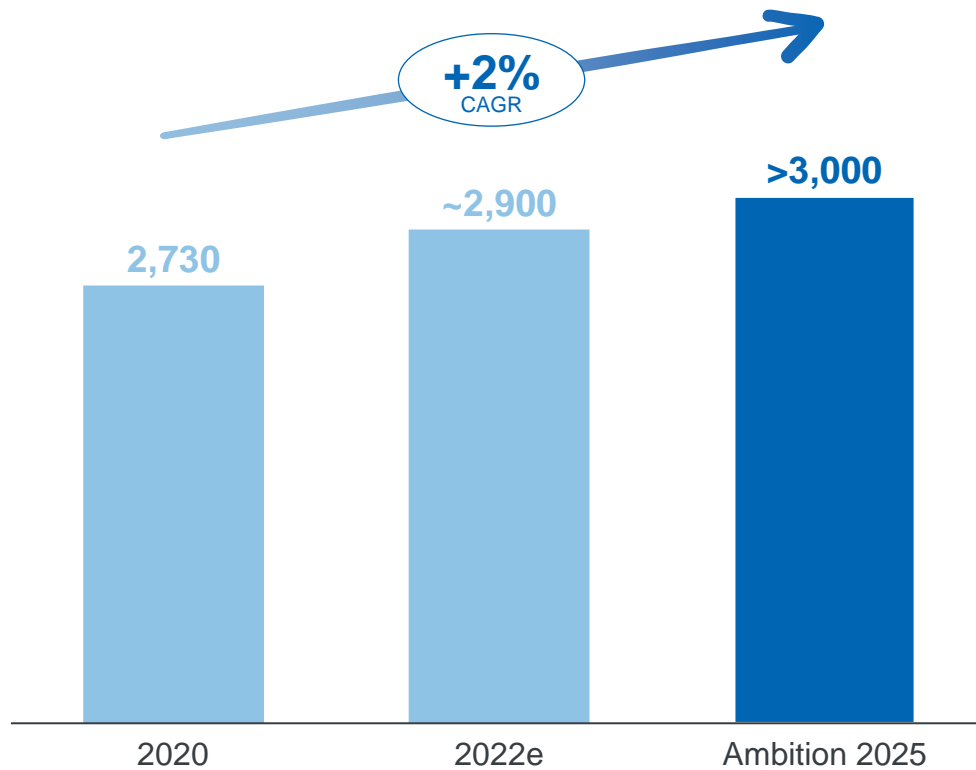
	Extend strong position in broker segment
	Expand capabilities in digitised products and services
	Leverage stringent governance with end-to-end responsibility

2 Best digital bancassurer

Leverage existing strength in bancassurance

Ambition

Bancassurance¹, GWP in EURm



Measures

	<p>Enlarge market-leading portfolio with currently 15 partners²</p>
	<p>Leverage customer base of ~70m clients</p>
	<p>Develop capabilities for scalable end-to-end processes</p>

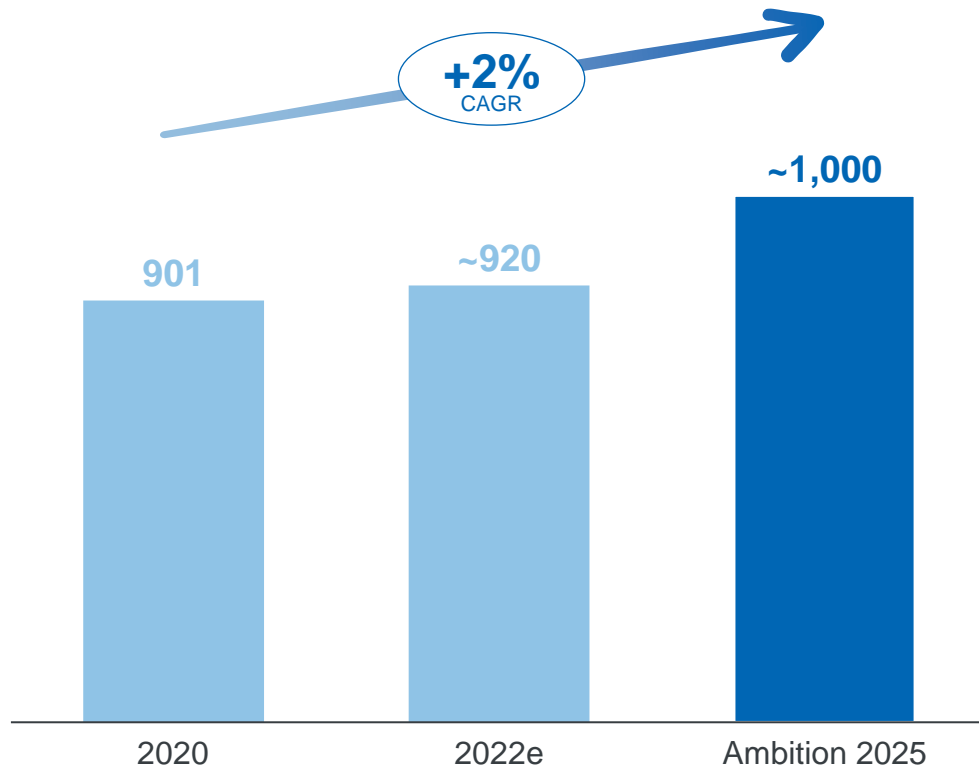
1 Total of risk carriers in Life and P/C. Includes small portion of P/C business sold by the banks (6% of GWP in 2020). 2 Includes 56 German savings banks counted as one partner

3 Competitive in retail P/C

Re-shaping retail P/C to create competitive private clients insurer

Ambition

P/C excluding SME and bancassurance, GWP in EURm



Measures

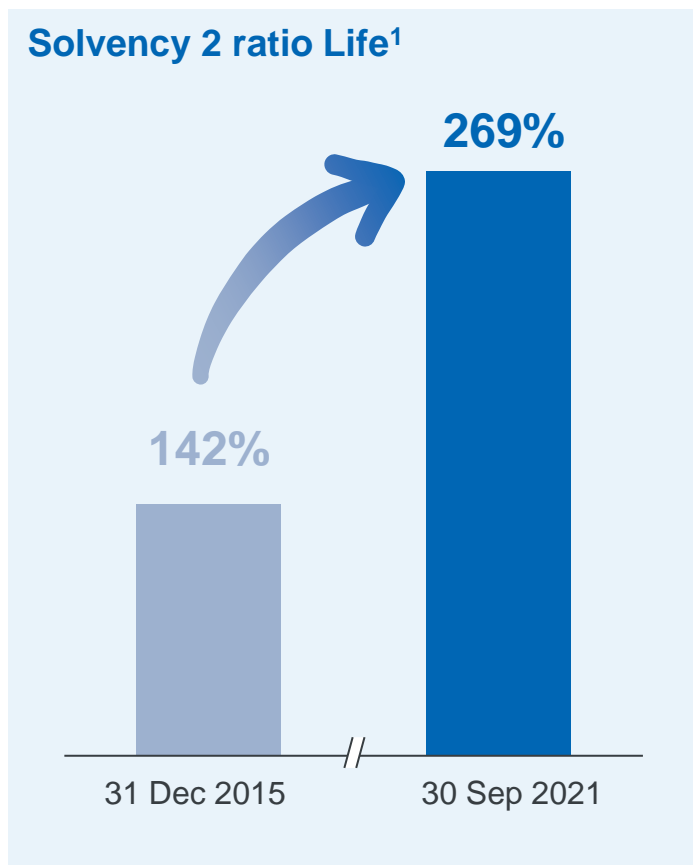
	Put client first in solutions and service (behavioral economics)
	Achieve competitive cost position by design-to-cost approach ¹
	Focus on customer retention. Operations = sales

¹ Target administration expense ratios for 2025 are 11% in Motor (down from 18% in 2020), and 14% in property and other (down from 24% in 2020)

4 Profitable life insurer

Life: Focus new business and further de-risk

Stabilisation achieved



¹ As-if-merged Solvency Capital Adequacy Ratio for the four German life entities. Change 30 September versus 30 June 2021 (224%) mainly due to refinement of model

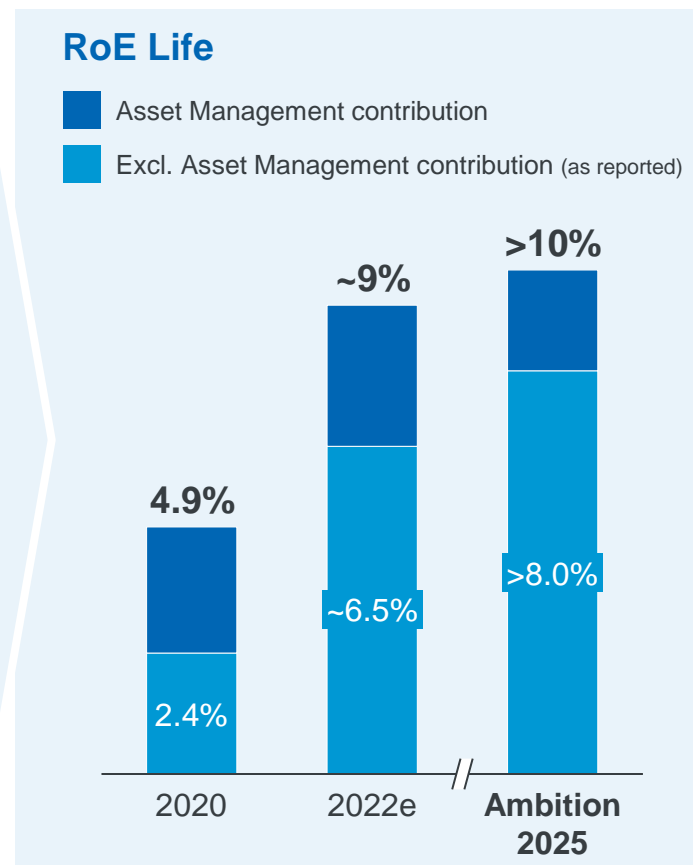
Measures

RoE first: Focus new business on <10 capital-light products

Manage in-force business more efficiently

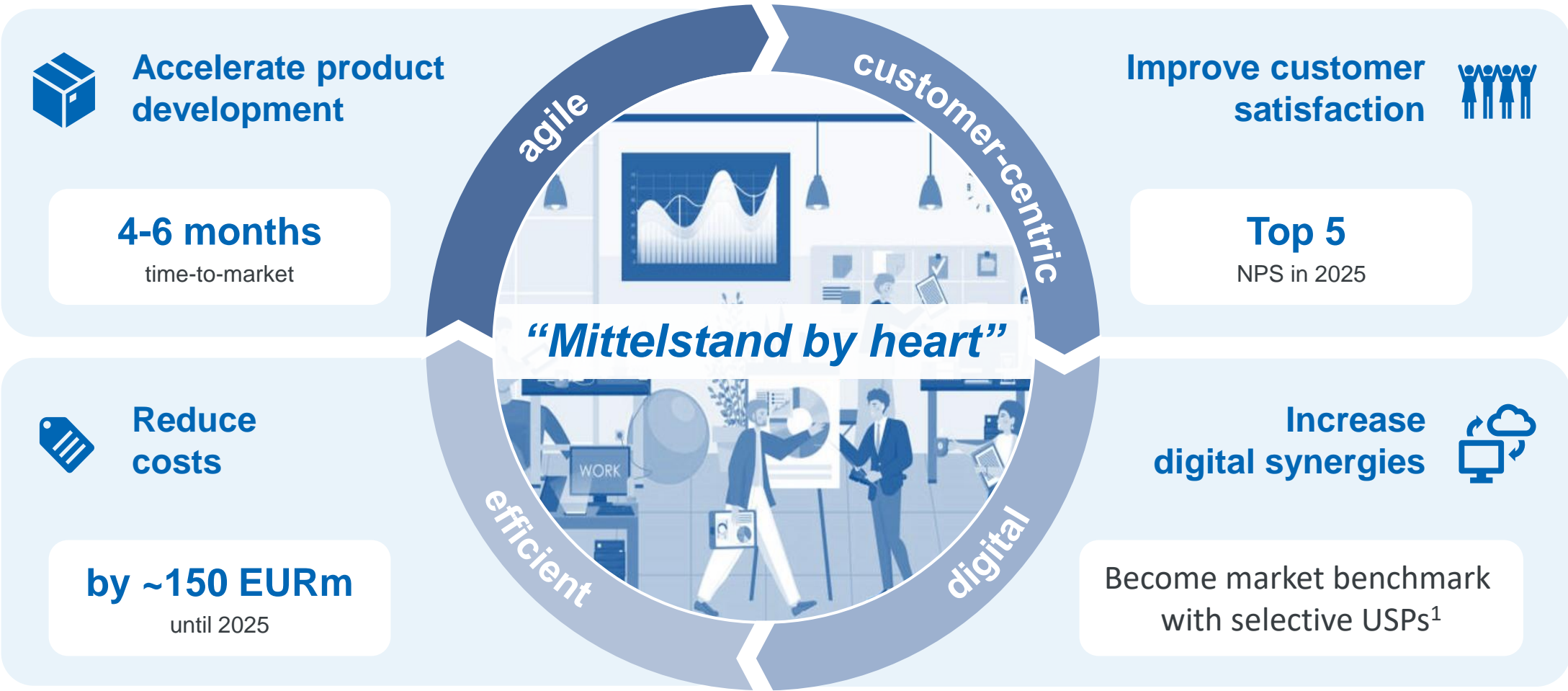
Significantly reduce costs by trimming business model

Ambition



5 Trim the business model

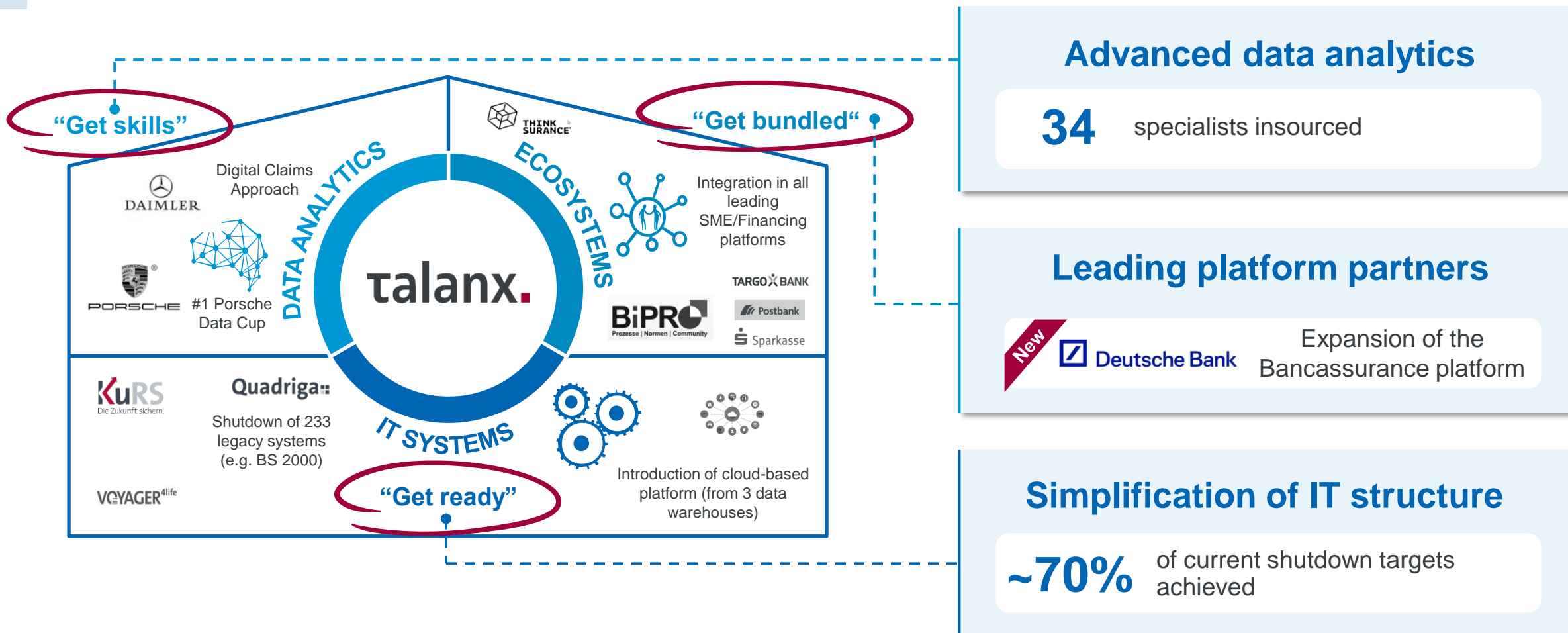
Change the culture to act and think like the German *Mittelstand*



Note: NPS = Net Promoter Score. 1 Measured by BCG Digital Acceleration Index

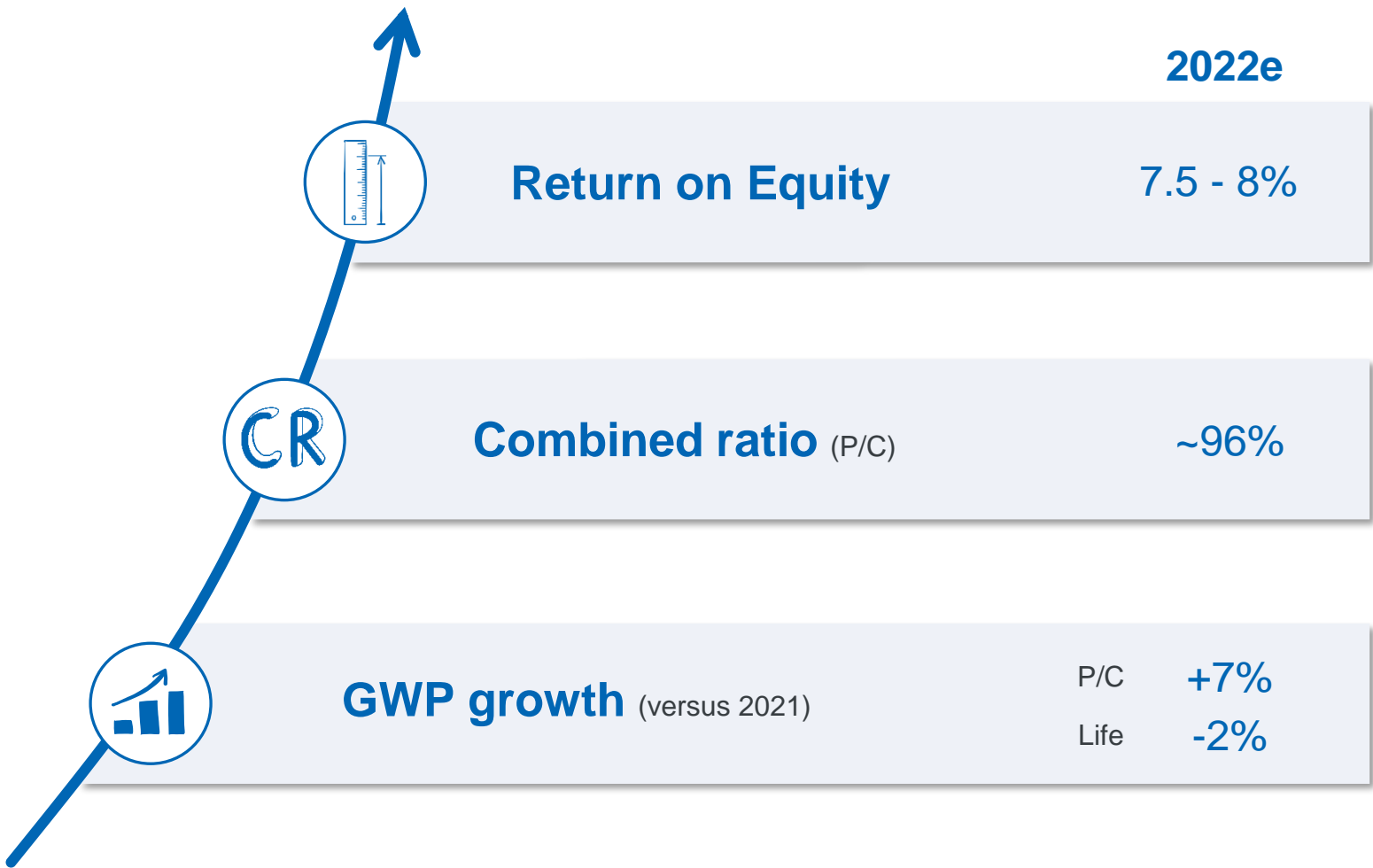
Our way forward

Digital transformation along three core topics well under way



Our way forward

Dedicated to double-digit RoE by 2025



Ambition 2025

RoE >10%

Note: RoE includes Asset Management contribution; RoE without Asset Management (as reported): -6.5% in 2022e, >8% in 2025e

Key messages



We are **committed** to deliver **>10% RoE** by 2025



We will **secure profitability** in Life and in the private clients business


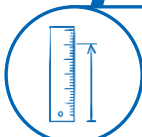





We will become the **best SME & bancassurer**

Agenda of the day

I	Group Strategy	Torsten Leue	
II	Group Financials	Jan Wicke	
III	Industrial Lines	Edgar Puls	
IV	HDI Global Specialty	Ulrich Wallin	
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Updated outlook 2021 and new outlook 2022 for Talanx Group

	Outlook 2021	Outlook 2022
 Dividend payout	EUR 1.60 per share	35 – 45% DPS at least stable y/y
 Return on equity	~9.0%	~10%
 Group net income	upper end of EUR 900 - EUR 950m	between EUR 1,050 and EUR 1,150m
 Net return on investment	~2.7%	~2.4%
 Currency-adjusted GWP growth	high single-digit % growth	mid single-digit % growth

Note: All targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets and no material currency fluctuations. The targeted dividend payout and dividend proposal 2021 is subject to the regulator's approval as well as board and AGM approval. The Outlook 2021 is based on a large loss budget of EUR 410m (2020: EUR 360m) in Primary Insurance, of which EUR 331m in Industrial Lines (2020: EUR 301m). The large loss budget in Reinsurance stands at EUR 1,100m (2020: EUR 975m). The Outlook 2022 is based on a large loss budget of EUR 410m in Primary Insurance, of which EUR 310m in Industrial Lines. The large loss budget in Reinsurance 2022 is EUR 1,300m.

Final remarks



We **delivered** what we **promised**



We **increase** our **dividend**



We **boost ambition** in primary insurance