

talanx.

Insurance. Investments.

2015
PERFORMANCE AND RESULTS

FY2015 Results

21 March 2016

Herbert K. Haas, CEO
Dr. Immo Querner, CFO

Agenda

I Group Highlights

II Segments

III Investments / Capital

IV Outlook

Appendix

Mid-term Target Matrix

FY2015 Additional Information

I FY2015: Talanx surpasses profit target – proposal for another increase in dividend – rise in 2016 net income Outlook

▶ With €734m, Talanx beats its expectations for FY2015 Group net income. Adjusting for the €155m goodwill impairment in Q2 2015, FY2015 marks a record-year for Talanx

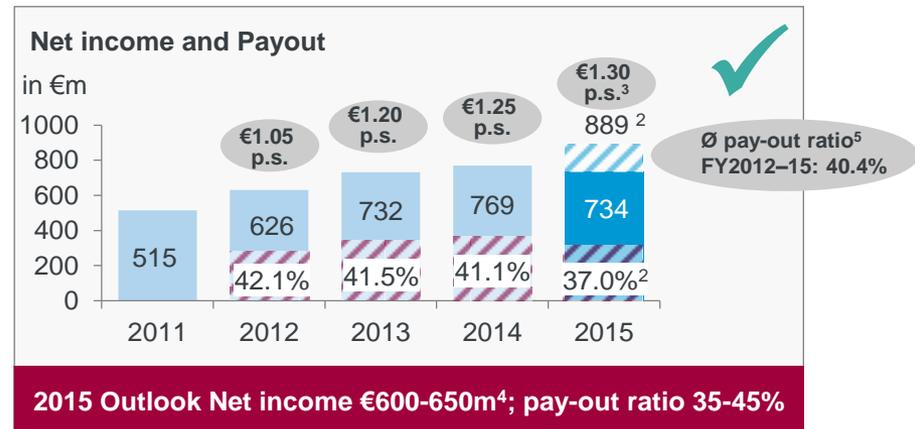
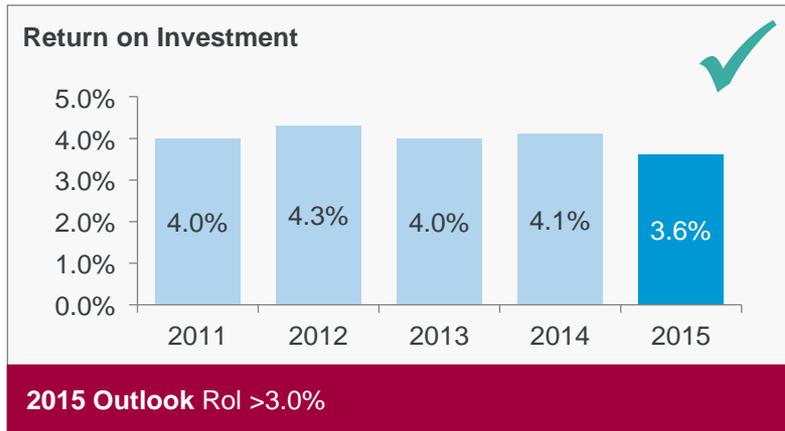
▶ FY2015 characterised by the realignment measures in German Life and the portfolio improvement in the German industrial portfolio - EBIT of €2.18bn at record level

▶ Talanx pursues its strategy of continuously increasing dividends. The dividend proposal for FY2015 stands at €1.30, up from €1.25 for FY2014 and the initial €1.05 for FY2012

▶ End of December, shareholders' equity stood at €8,282m or €32.76 per share. Despite the dividend payment of €316m, the goodwill impairment and wider credit spreads, this is above the FY2014 level of €7,998m (€31.64 per share)

▶ Also due to the improvement in the portfolio quality of our Primary Insurance operations, we raise our Group net income Outlook to ~€750m

I FY2015 – Target achievement



Note: Figures restated on the base of IAS8

¹ Currency-adjusted: 4.8%

² After adjustment for goodwill impairment in German Life business of €155m reported in Q2 2015

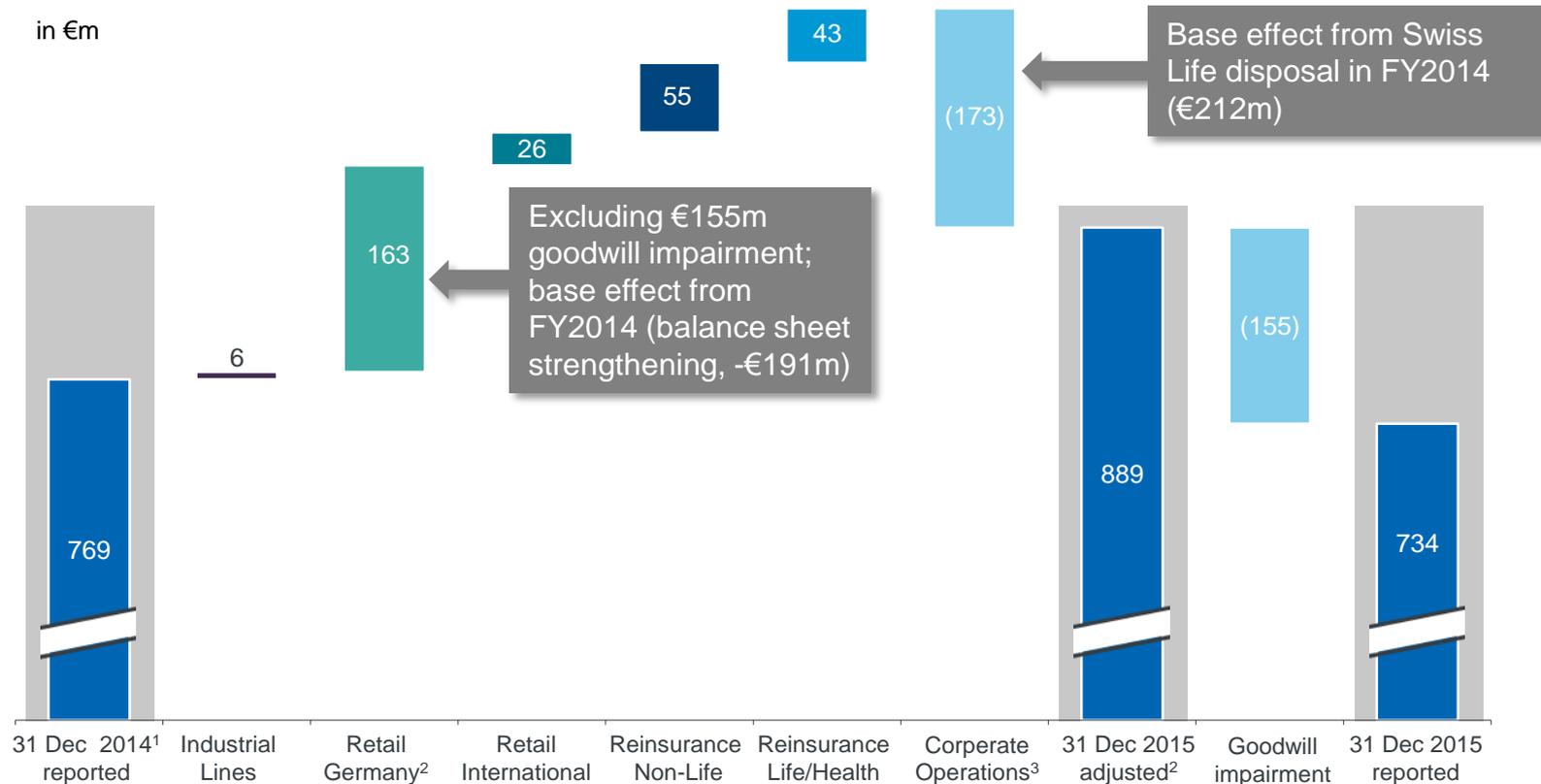
³ Proposal to AGM

⁴ 2015 Outlook for Group net income was adjusted from „at least €700m“ to „€600-650m“ following the goodwill impairment reported in Q2 2015

⁵ Includes dividend proposal for FY2015 of €1.30 per share

-  Dividend pay-out ratio
-  Adjustment for goodwill impairment in German Life (€155m/Q2 2015)

I FY2015 – Segmental contribution to change in Group net income



¹ Includes disposal gain Swiss Life (booked in Corporate Operations; €212m), balance sheet strengthening measures (Retail Germany -€191m; Consolidation: -€15m)

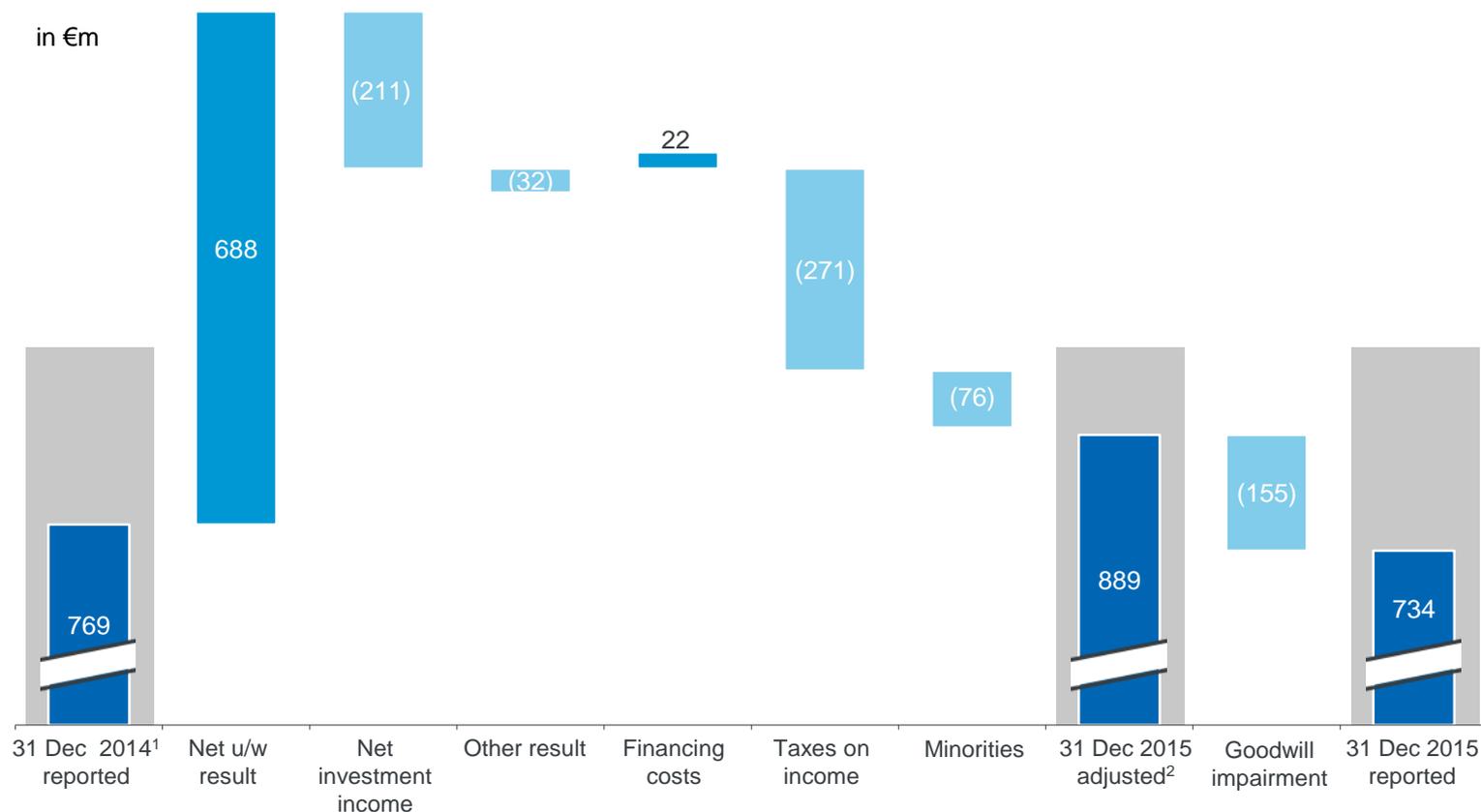
² Excluding goodwill impairment (€155m)

³ Including Consolidation



Adjusting for the goodwill impairment, Group net income would be close to €890m

I FY2015 – Change in Group net income



¹ Includes disposal gain Swiss Life (booked in Corporate Operations; €212m), balance sheet strengthening measures (Retail Germany -€191m; Consolidation: -€15m)

² Excluding goodwill impairment (€155m)



Strongly improved net underwriting result is the main driver for the Group net income

I FY2015 results – Key financials

Summary of FY2015

| €m, IFRS | FY2015 | FY2014 | Change |
|---|---------|---------|-----------|
| Gross written premium | 31,799 | 28,994 | +10% |
| Net premium earned | 25,937 | 23,844 | +9% |
| Net underwriting result | (1,370) | (2,058) | n/m |
| Net investment income | 3,933 | 4,144 | (5%) |
| Operating result (EBIT) | 2,182 | 1,892 | +15% |
| Net income after minorities | 734 | 769 | (5%) |
| Key ratios | FY2015 | FY2014 | Change |
| Combined ratio non-life insurance and reinsurance | 96.0% | 97.9% | (1.9%)pts |
| Return on investment | 3.6% | 4.1% | (0.5%)pts |
| Balance sheet | FY2015 | FY2014 | Change |
| Investments under own management | 100,777 | 96,410 | +5% |
| Goodwill | 1,037 | 1,090 | (5%) |
| Total assets | 152,760 | 147,298 | +4% |
| Technical provisions | 106,832 | 101,109 | +6% |
| Total shareholders' equity | 13,431 | 12,900 | +4% |
| Shareholders' equity | 8,282 | 7,998 | +4% |

Comments

- GWP up by 9.7% y/y, also helped by currency effects (currency-adj.:4.8%). All segments apart from Retail Germany contributed to growth, Reinsurance division main growth driver
- Net underwriting result significantly up, mainly due to improved combined ratios in all segments and lower RfB contribution in Retail Germany – base effect from FY2014, which was impacted by balance sheet strengthening measures
- Group combined ratio improved y/y by 1.9%pts, mainly on the back of a lower loss ratio (FY2015: 69.1%; FY2014: 70.8%), but also a slight cost ratio improvement
- Decline in investment result was due to a ~€450m lower extraordinary investment result (including last year's effect from the sale of the remaining Swiss Life stake) while ordinary investment result was up by ~€240m
- Net income only €35m down despite the burden from €155m goodwill impairment on German Life and higher tax charges
- Shareholders' equity increased ytd to €8,282m, or €32.76 per share (FY2014: €31.64). Solvency I ratio slightly down to 219% (FY2014: 228%)



Strongly improved on net underwriting and EBIT level



Key achievements 2015

Industrial Lines: „Balanced Book” – Status Update

| Property portfolio under review | | | | |
|---|---------|-----------------------|----------|-----------------------|
| Total Portfolio in GWP | €1,370m | | | |
| Share of premium under review 2015 | €300m | | | |
| Corresponding written capacity under review | €117bn | | | |
| | Premium | % | Capacity | % |
| thereof already finally negotiated | €303.7m | 101.2% (of total) | €117.7bn | 100.6% (of total) |
| - premium and capacity reduction due to reduced shares and cancelled accounts | €48.1m | 15.8% (of negotiated) | €25.5bn | 21.7% (of negotiated) |
| + premium increase because of improved premium quality on remaining premium | €22.7m | 8.9% (of remaining) | --- | |
| - effect of additional reinsurance measures | €8.4m | | €8.5bn | |
| = results | €269.9m | | €83.7bn | |
| Premium to exposure for finally negotiated portfolio | | | | |
| Relative improvement of portfolio quality i.r.o. finally negotiated premium to premium under review as end of December 2015 | 25.0% | | | |

Comments

- „Balanced Book“ targets for a more symmetrically structured and adequately priced portfolio
- A €300m premium portfolio in German Property has been identified and renegotiated successfully
- The premium to risk ratio improved by 17%, or even 25% after optimising for reinsurance coverage
- Similarly successful initiatives in Motor and in Marine



Significant improvement of portfolio quality in selected lines



Key achievements 2015

Retail Germany: Laying the foundation stone for “KuRS”

Life

- ✓ New capital efficient product portfolio developed and successfully launched with time to market less than a year (“**modern classic**”)
- ✓ **Strong growth** in profitable biometric and credit life insurance business
- ✓ Implementation of real time **electronic risk assessment** for HDI disability insurance
- ✓ Successful implementation of digital corporate pension portal solution (“**HDI bAVnet**”), awarded with the price “digital lighthouse insurance in 2015” by Süddeutsche
- ✓ Further reduction of balance-sheet risks due to **write-down of full goodwill** (€155m) in 2015

Non-Life

- ✓ **Stabilisation of operations** via complete reduction of backlogs (from 800 thousand items to zero)
- ✓ Further **improvement of portfolio** quality, e.g. reduction of claims ratio
- ✓ **Going live and optimisation of hdi.de** application workflow for car insurance on 30 October 2015
- ✓ Initial approaches in relation to **process optimisation** and **increasing proportion of automatic processing** implemented

Overall

- ✓ **Investment and efficiency program “KuRS”** launched in **FY2015** to sustainably optimize Retail Germany and its competitive position and the aim of closing the expense gap of ~€240m in Retail Germany until 2020. Positive yearly impact on Group net income from 2017 onwards expected
- ✓ In 2015, the Retail Germany management board was realigned with a **strong and experienced leadership team** to ensure clear responsibility for lines of business



Key achievements 2015

Retail International: Overview core markets

Brazil

| | | |
|-----------------------------|--------|----------|
| GWP growth (local currency) | +16.1% | |
| Combined ratio | 99.3% | +0.5%pts |
| EBIT (€) | 46.4m | +9.7% |

Poland

| | | |
|-----------------------------|--------|----------|
| GWP growth (local currency) | +1.4% | |
| o/w Life | +4.3% | |
| o/w Non-Life | -0.2% | |
| Combined ratio ¹ | 96.4% | +0.3%pts |
| EBIT (€) | 112.9m | -1.3% |
| o/w Life | 23.6m | +18.5% |
| o/w Non-Life | 89.4m | -5.5% |

Mexico

| | | |
|-----------------------------|--------|----------|
| GWP growth (local currency) | +38.0% | |
| Combined ratio | 93.2% | +0.8%pts |
| EBIT (€) | 8.3m | -19.5% |

Turkey

| | | |
|-----------------------------|--------|----------|
| GWP growth (local currency) | +15.0% | |
| Combined ratio | 102.5% | -0.7%pts |
| EBIT (€) | 4.8m | +96.8% |

¹Combined ratio for Warta only



All core markets in Retail International with profitable growth

I Q4 2015 results – Key financials

Summary of Q4 2015

| €m, IFRS | Q4 2015 | Q4 2014 | Change |
|---|---------|---------|-----------|
| Gross written premium | 7,444 | 7,261 | +3% |
| Net premium earned | 6,691 | 6,713 | (0%) |
| Net underwriting result | (82) | (705) | n/m |
| Net investment income | 944 | 1,148 | (18%) |
| Operating result (EBIT) | 675 | 448 | +51% |
| Net income after minorities | 246 | 239 | +3% |
| Key ratios | Q4 2015 | Q4 2014 | Change |
| Combined ratio non-life insurance and reinsurance | 93.3% | 98.5% | (5.2%)pts |
| Return on investment | 3.4% | 4.4% | (1.0%)pts |
| Balance sheet | FY2015 | FY2014 | Change |
| Investments under own management | 100,777 | 96,410 | +5% |
| Goodwill | 1,037 | 1,090 | (5%) |
| Total assets | 152,760 | 147,298 | +4% |
| Technical provisions | 106,832 | 101,109 | +6% |
| Total shareholders' equity | 13,431 | 12,900 | +4% |
| Shareholders' equity | 8,282 | 7,998 | +4% |

Comments

- Q4 2015 GWP: +2.5% y/y, backed by currency effects (curr.-adj.: -2.5%), while all segments apart from Retail Germany contributed to growth
- Net underwriting result up, driven by an improved loss ratio, lower RfB contribution in Retail Germany (predominantly due to lower realised investment gains). Positive base effect from Q4 2014 balance sheet strengthening measures
- Improvement in combined ratio by 5.2%pts, due to lower loss ratio in Industrial Lines, Retail Germany and Non-Life Reinsurance. In Q4 2014, combined ratio in Retail Germany had been affected by precautionary reserve strengthening of ~€93m
- Decline in net investment result driven by lower realised capital gains (Q4 2014 benefitted e.g. from disposal of the Swiss Life stake). Q4 2015 ordinary investment result was up by ~€110m y/y – first positive impact from alternative investments visible
- “Other result” included restructuring cost for efficiency program “KuRS” in Retail Germany (~€62m) and negative currency results – currency gain from Swiss Life disposal in Q4 2014



Q4 2015 bottom-line result up despite lower realised investment result and investments for “KuRS” program

Agenda

I Group Highlights

II Segments

III Investments / Capital

IV Outlook

Appendix

Mid-term Target Matrix

FY2015 Additional Information

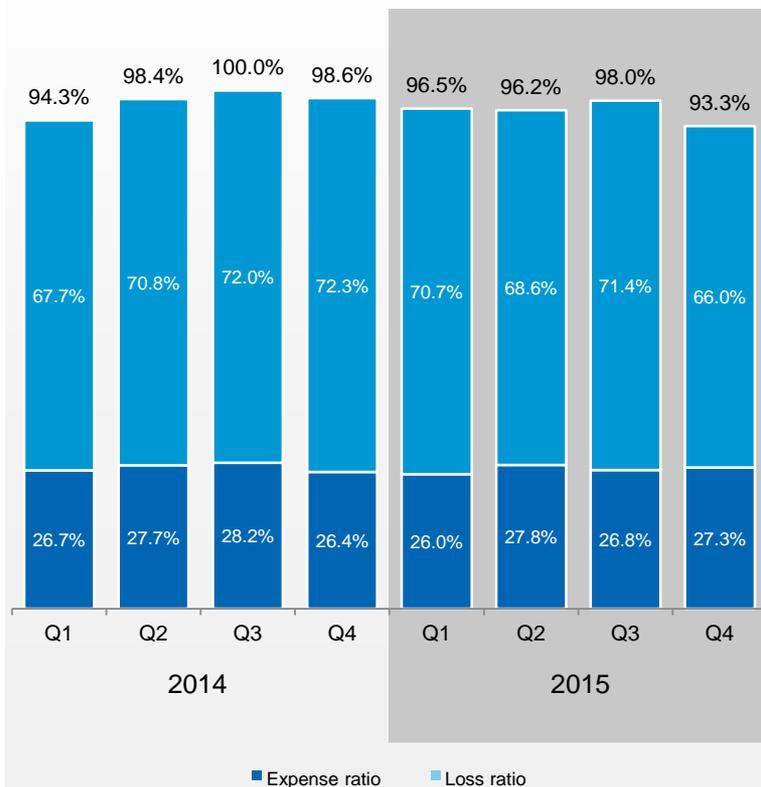
II Large losses¹ in FY2015

| €m, net | | Primary insurance | Reinsurance | Talanx Group |
|--|---------------------|-------------------|----------------|----------------|
| Storms, Europe | Jan./Apr./July 2015 | 37.6 | 27.9 | 65.4 |
| Winterstorms, USA/Canada | Jan./Feb. 2015 | 5.4 | 12.8 | 18.2 |
| Storm, Australia | April 2015 | 7.5 | 17.0 | 24.5 |
| Storm/Flood, USA | May/June 2015 | 0.7 | 7.3 | 8.1 |
| Storm „Erika“, Caribbean | August 2015 | 0.0 | 12.7 | 12.7 |
| Earthquake, Chile | September 2015 | 0.9 | 25.5 | 26.4 |
| Tropical Storm, Japan | September 2015 | 0.0 | 27.3 | 27.3 |
| Forest Fires, USA | September 2015 | 0.0 | 9.3 | 9.3 |
| Typhoon, Taiwan/Korea/China | Oktober 2015 | 0.0 | 14.1 | 14.1 |
| Floods, India/United Kingdom | Nov./Dec. 2015 | 23.4 | 47.1 | 70.5 |
| Total Nat Cat | | 75.6 | 201.0 | 276.6 |
| Aviation | | 5.9 | 51.3 | 57.2 |
| Transport | | 0.0 | 83.8 | 83.8 |
| Fire / Property | | 222.9 | 105.7 | 328.6 |
| Explosion Tianjin Harbour, China | | 42.4 | 111.1 | 153.5 |
| Other | | 2.5 | 20.0 | 22.5 |
| Total other large losses | | 273.7 | 371.9 | 645.6 |
| Total large losses | | 349.3 | 572.9 | 922.2 |
| Impact on Combined Ratio (incurred) | | 5.6%pts | 7.1%pts | 6.4%pts |
| Total large losses FY2014 | | 356.1 | 425.7 | 781.8 |
| Impact on Combined Ratio (incurred) FY2014 | | 6.0%pts | 6.1%pts | 6.1%pts |

¹ Definition „large loss“: in excess of €10m gross in either Primary Insurance or Reinsurance

Note: FY2015 Primary Insurance large losses (net) are split as follows: Industrial Lines: €316.2m; Retail Germany: €20.4m; Retail International: €8.6m, Group Functions: €4.1m; excluding large losses of €41m from Industrial Liability line booked in FY2015

- Total large loss burden of €922m (2014:782m) – below the Group’s large loss budget (€980m)
- Q4 net burden of €62m in Primary and €137m in Reinsurance – mix of NatCat and man-made losses
- Reinsurance remained ~€117m below its 2015 large loss budget, Primary was €59m above
- In Q4 2015, all divisions within their pro-rata large loss budget

Development of net combined ratio¹

Note: numbers adjusted on the basis of IAS8

Combined ratio¹ by segment/selected carrier

| | FY2015 | FY2014 | Q4 2015 | Q4 2014 |
|---------------------------------|--------------|---------------|--------------|---------------|
| Industrial Lines | 99.2% | 103.0% | 96.6% | 99.1% |
| Retail Germany | 99.3% | 108.6% | 94.2% | 126.8% |
| Retail International | 96.3% | 96.4% | 96.3% | 96.2% |
| HDI Seguros S.A., Brazil | 99.3% | 98.8% | 100.3% | 99.5% |
| HDI Seguros S.A., Mexico | 93.2% | 92.4% | 95.9% | 95.9% |
| TUiR Warta S.A., Poland | 96.4% | 96.1% | 95.9% | 93.9% |
| TU Europa S.A., Poland | 84.6% | 81.2% | 84.4% | 80.1% |
| HDI Sigorta A.Ş., Turkey | 102.5% | 103.2% | 102.0% | 102.3% |
| HDI Assicurazioni S.p.A., Italy | 95.4% | 97.0% | 94.4% | 98.0% |
| Non-Life Reinsurance | 94.5% | 94.7% | 91.4% | 93.2% |

¹ Incl. net interest income on funds withheld and contract deposits



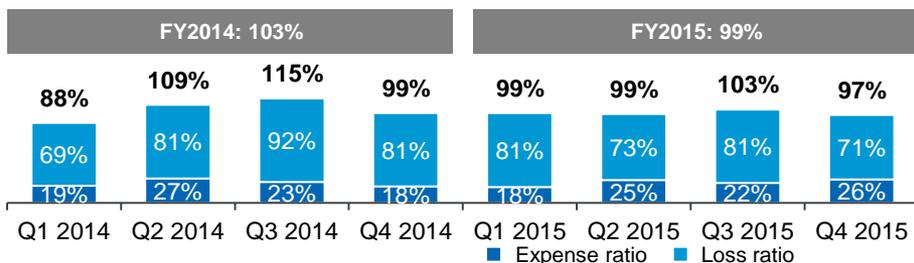
In FY and Q4 2015, combined ratios below 100% in all segments

II Segments – Industrial Lines

P&L for Industrial Lines

| €m, IFRS | FY2015 | FY2014 | Δ | Q4 2015 | Q4 2014 | Δ |
|-----------------------------------|--------------|--------------|-------------|-------------|-------------|------------------|
| Gross written premium | 4,295 | 4,031 | +7% | 861 | 818 | +5% |
| Net premium earned | 2,213 | 2,022 | +9% | 632 | 621 | +2% |
| Net underwriting result | 18 | (61) | n/m | 22 | 5 | +301% |
| Net investment income | 206 | 268 | (23%) | 48 | 59 | (19%) |
| Operating result (EBIT) | 208 | 182 | +14% | 55 | 58 | (4)% |
| Group net income | 127 | 121 | +5% | 24 | 36 | (34%) |
| Return on investment (annualised) | 2.8% | 3.8% | (1.1%)pts | 2.5% | 3.2% | (0.7%)pts |

Combined ratio¹



Comments

- FY2015 GWP up 6.6% y/y, backed by currency effects (curr.-adj.:+2.5%). Q4 2015 GWP grew by 5.3% (curr.-adj.: +0.3%), slightly dampened by initial effects from profitabilisation measures, e.g. “Balanced Book”. Main growth driver was international business (e.g. Latin America, US, UK)
- Moderate increase in FY2015 retention rate (51.8%; FY2014: 50.9%), while Q4 2015 is negatively impacted by higher reinstatement premium (Q4: €56m, Q4 2014: €12m) and more fronting business in the US
- Combined ratio in Q4 2015 helped by lower large losses and a positive run-off result, partly compensated by a cost ratio above its normal run-rate
- Tax rate (FY2015: 36.3%) above the level of FY2014 (30.9%)

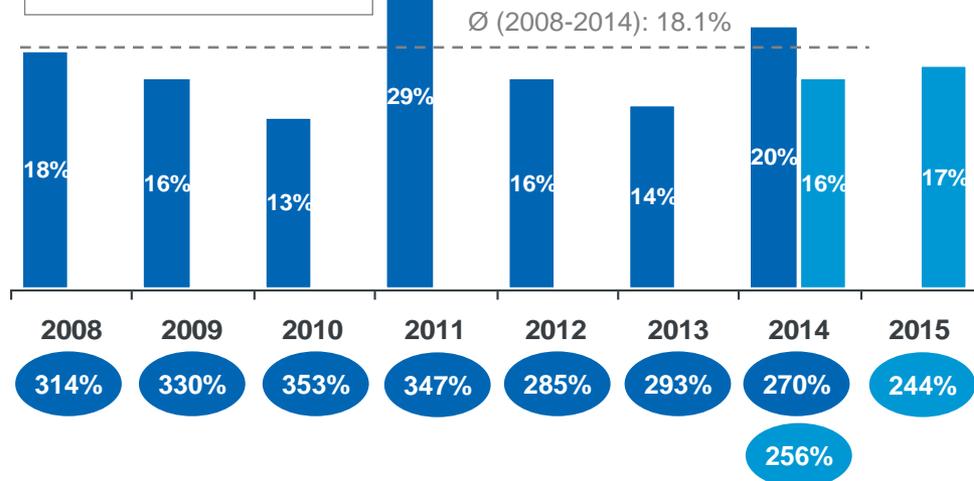
▶ Top-line growth despite first effects from profitabilisation measures – improved combined ratio

II Industrial Lines – Run-off results

Run-off results and reserve coverage (IFRS)

Annual reserve reviews

- Talanx actuaries ✓
- Auditor KPMG ✓
- S&P / A.M.Best ✓
- Towers Watson ✓



■ Ratio of segmental run-off result to net premium earned; 2008-2014 data for main carrier HDI Global SE, representing 93% of Industrial Lines' GWP in 2015 (IFRS); from 2014 data for segment Industrial Lines

● Ratio of technical reserves to net premium earned

Comments

- In FY2015, Industrial Lines contributed a net positive run-off result (FY2015: €386m vs. FY2014: €328m)
- FY2015 run-off result relates to ~17% of net premium earned, slightly above previous year's level
- Historically, run-off results have proven a substantial earnings stabiliser for Industrial Lines
- High ratio of technical reserves to net premium earned compares favourably with peer levels



Historically, run-off results have proven a very steady contributor to Industrial Lines results

II Industrial Lines – Profitabilisation measures in Germany

| | Portfolios under review (GWP) | Results from negotiations (gross) | Portfolio improvement |
|-----------------------------|----------------------------------|---|---|
| Property¹ | <p>300 €1370m</p> | <p>Negotiated €303.7m</p> <p>Effects on premium - 8.4%</p> <p>Capacity - 21.7%</p> | <p>Premium to capacity ratio +25%^{1,2}</p> |
| Marine¹ | <p>72 €325m</p> | <p>Negotiated €71.8m</p> <p>Effects on premium -5.3%</p> <p>Capacity -26.9%</p> | <p>Premium to capacity ratio +30%¹</p> |
| Motor³ | <p>121 €362m</p> | <p>Negotiated €121m</p> <p>Effects on premium -10.1%</p> <p>Effect on losses⁴ ~ -14%</p> | <p>Expected improvement in loss ratio by FY2016 ≥ 3%pts⁵</p> |

■ Premium negotiated

¹ In respect of portfolio under review

³ German business only

⁵ Assuming constant claims statistic; FY2015 loss ratio: 84.4% (gross)

² Including effect of additional specific reinsurance measures

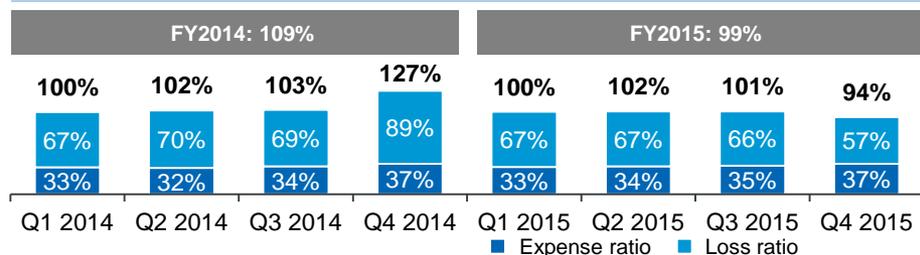
⁴ Expected, in terms of loss volume

II Segments – Retail Germany

P&L for Retail Germany

| €m, IFRS | FY2015 | FY2014 | Δ | Q4 2015 | Q4 2014 | Δ |
|-----------------------------------|---------|---------|-----------|---------|---------|-----------|
| Gross written premium | 6,667 | 6,890 | (3%) | 1,523 | 1,811 | (16%) |
| of which Life | 5,167 | 5,351 | (3%) | 1,303 | 1,558 | (16%) |
| of which Non-Life | 1,500 | 1,539 | (3%) | 220 | 253 | (13%) |
| Net premium earned | 5,418 | 5,630 | (4%) | 1,356 | 1,713 | (21%) |
| Net underwriting result | (1,463) | (1,953) | n/m | (262) | (689) | n/m |
| of which Life | (1,473) | (1,828) | n/m | (284) | (582) | n/m |
| of which Non-Life | 10 | (125) | n/m | 22 | (107) | n/m |
| Net investment income | 1,731 | 1,899 | (9%) | 380 | 469 | (19%) |
| Operating result (EBIT) | 3 | (115) | n/m | 19 | (234) | n/m |
| Group net income | (76) | (84) | n/m | (3) | (156) | n/m |
| Return on investment (annualised) | 3.7% | 4.3% | (0.6%)pts | 3.3% | 4.1% | (0.9%)pts |

Combined ratio¹



Comments

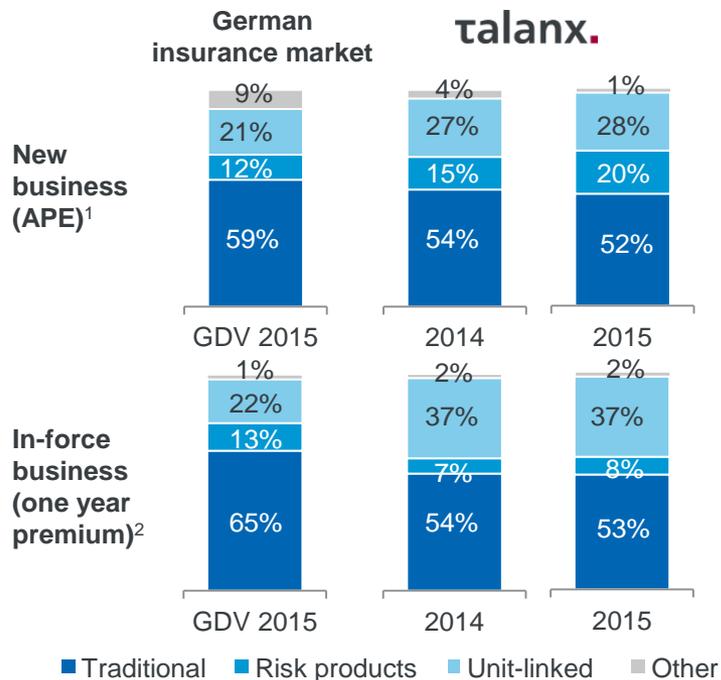
- FY2015 Life GWP down by 3.4% consistent with the targeted reduction of classical and single-premium business
- Costs for strategic program “KuRS” sum up to €89m, roughly two-third of this booked in “other result”. €54m affected FY2015 segment EBIT. Negative impact of ~0.9%pts (0.2% pts on loss ratio, 0.7%pts on FY2015 cost ratio) on combined ratio (reported: 99.3%; adj.: 98.4%)
- Improvement in combined ratio mainly due to lower large-sized losses as well as a positive run-off result in Q4 2015. Base effect from last year’s balance-sheet strengthening measures
- Decline in investment result due to lower extraordinary result, while ordinary investment result is up. FY2015 ZZR allocation – according to HGB – of €493m (Q4 2015: €131m). Total ZZR stock reached €1.56bn in FY2015
- Next to the effects from KuRS, FY2015 was impacted by the write-down of the complete goodwill (€155m) attributable to the Life business already reported with the 6M 2015 results



Investments in “KuRS” affected FY2015 EBIT by €54m – FY 2015 combined ratio below 100%

II Retail Germany – Life portfolio overview

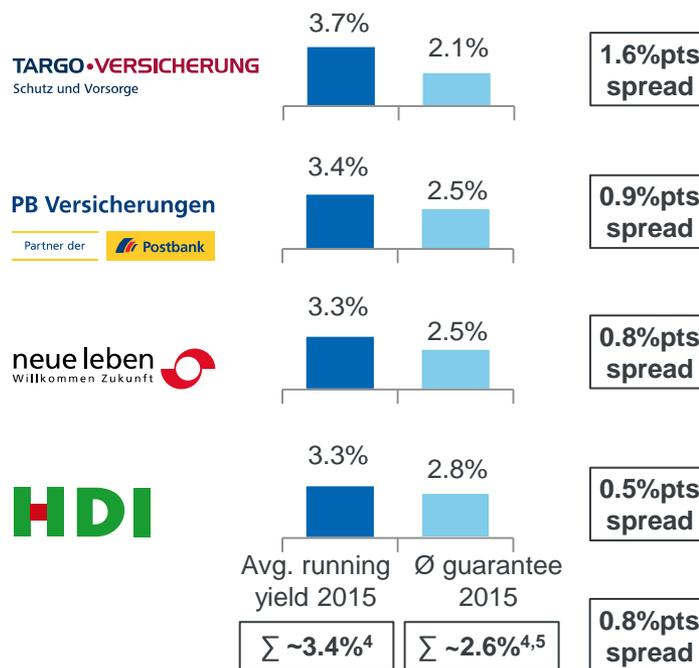
Breakdown of Life insurance portfolio



¹ Home saving risk insurance re-grouped into traditional products

² Other collective insurances re-grouped into traditional products
Source: GDV (German Insurance Association), Talanx

Business in force³



³ Based on total policy reserves FY2015

⁴ Weighted average of TARGO Leben, PB Leben, neue leben and HDI Leben according to assets under management (for running yield) and actuarial reserves (for average guarantee), respectively; FY2014 level was 3.5%

⁵ The average guarantee rate is down from 2014 level of ~2.8%

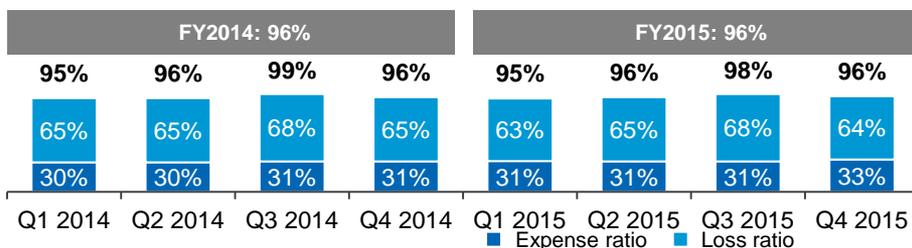
▶ **Consistently higher share of unit-linked life contracts than market – positive investment spreads for all life carriers – average guarantee rate down to 2.6% (FY2014: 2.8%)**

II Segments – Retail International

P&L for Retail International

| €m, IFRS | FY2015 | FY2014 | Change | Q4 2015 | Q4 2014 | Change |
|-----------------------------------|--------------|--------------|------------|--------------|--------------|-------------|
| Gross written premium | 4,643 | 4,454 | +4% | 1,181 | 1,148 | +3% |
| of which Life | 1,395 | 1,539 | (9%) | 388 | 377 | +3% |
| of which Non-Life | 3,248 | 2,915 | +11% | 793 | 771 | +3% |
| Net premium earned | 3,706 | 3,735 | (1%) | 952 | 915 | +4% |
| Net underwriting result | (7) | (11) | n/m | (8) | (4) | n/m |
| of which Life | (103) | (97) | n/m | (32) | (28) | n/m |
| of which Non-Life | 96 | 86 | +12% | 24 | 23 | +2% |
| Net investment income | 338 | 321 | +5% | 88 | 80 | +11% |
| Operating result (EBIT) | 217 | 208 | +4% | 43 | 44 | (2%) |
| Group net income | 148 | 122 | +21% | 42 | 26 | +64% |
| Return on investment (annualised) | 4.4% | 4.7% | (0.3%)pts | 4.5% | 4.3% | +0.2%pts |

Combined ratio¹



¹Incl. net interest income on funds withheld and contract deposits

Comments

- FY2015 GWP grew by 4.2% y/y (currency-adj.: +7.6%), negatively impacted by currency effects from Brazil and – more moderately – from Turkey. In Q4 2015, the segment grew by 2.9% (currency-adj.: +6.1%)
- Growth driver was Non-Life business (currency-adj.: +16.7%; excl. Magallanes acquisition²: +8.9%), mainly due to double-digit growth in Mexico and Turkey – even in euro terms. Brazil: Despite impact from currency depreciation (FY2015 GWP: -2%; curr-adj: +16%) FY2015 EBIT grew by ~10% to over €46m (Q4 2015 flat)
- Decline in Life GWP mainly due to base effect from strong single-premium business in FY 2014 (mainly in Italy); Q4 2015 with positive trend
- FY2015 combined ratio broadly unchanged; slight uptick in cost ratio due to portfolio diversification towards higher share of bancassurance and non-motor business, overcompensated by improved loss ratio, predominantly in Italy and Poland
- Improvement in operating result. €8m negative impact from deconsolidation of business in Bulgaria and Ukraine, booked in Q4 2015

² Consolidated from 13 February 2015; A positive deferred tax effect of €18m booked in FY2015 results from the merger with HDI Chile



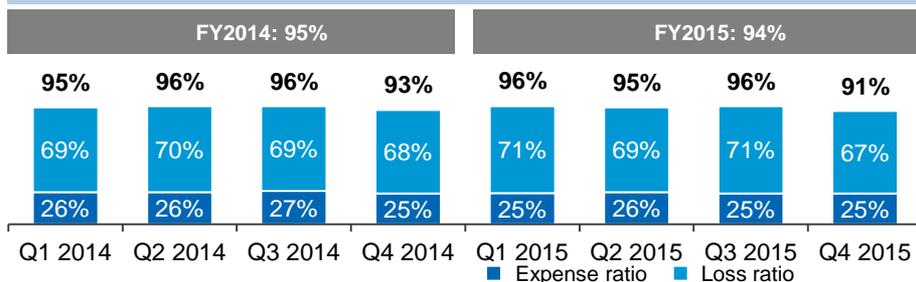
FY2015 EBIT improved despite currency headwind and negative disposal effect in Q4 2015

II Segments – Non-Life Reinsurance

P&L for Non-Life Reinsurance

| €m, IFRS | FY2015 | FY2014 | Change | Q4 2015 | Q4 2014 | Change |
|-----------------------------------|--------------|--------------|-------------|------------|------------|-------------|
| Gross written premium | 9,338 | 7,903 | +18% | 2,019 | 1,843 | +10% |
| Net premium earned | 8,100 | 7,011 | +16% | 2,134 | 1,907 | +12% |
| Net underwriting result | 427 | 349 | +22% | 179 | 125 | +43% |
| Net investment income | 966 | 867 | +11% | 277 | 200 | +39% |
| Operating result (EBIT) | 1,391 | 1,219 | +14% | 416 | 350 | +19% |
| Group net income | 456 | 401 | +14% | 136 | 130 | +5% |
| Return on investment (annualised) | 3.2% | 3.2% | +0.0%pts | 3.7% | 2.8% | +0.9%pts |

Combined ratio¹



¹Incl. net interest income on funds withheld and contract deposits

Comments

- FY2015 GWP up by 18.2% y/y (adjusted for currency effects: +8.1%), mainly from US, Asia, Specialty lines and Agro business. Net premium earned grew currency-adj. by +6.4%
- Major losses of €573m (7.1% of net premium earned) below budget of €690m.
- Further increase in confidence level of loss reserves despite favourable run-off result
- Investment income up despite low yield environment
- Other income lower mainly due to decreased currency gains
- FY2015 EBIT margin² of 17.2% (FY2014: 17.4%) well above target
- FY2015 net income increased by 13.7%

² EBIT margins reflect a Talanx Group view

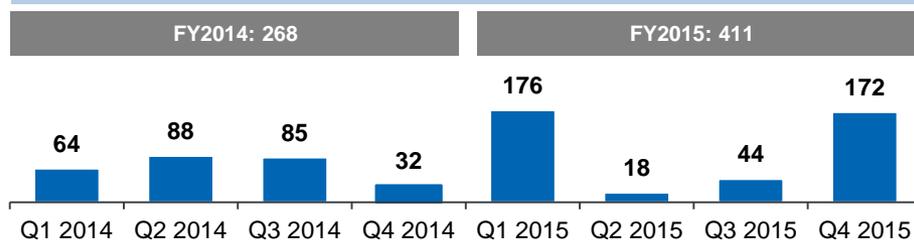


Attractive underwriting profitability in a competitive environment

P&L for Life/Health Reinsurance

| €m, IFRS | FY2015 | FY2014 | Change | Q4 2015 | Q4 2014 | Change |
|--------------------------------|--------------|--------------|-------------|-------------|--------------|--------------|
| Gross written premium | 7,731 | 6,459 | +20% | 2,104 | 1,814 | +16% |
| Net premium earned | 6,492 | 5,411 | +20% | 1,628 | 1,550 | +5% |
| Net underwriting result | (351) | (384) | n/m | (17) | (142) | n/m |
| Net investment income | 709 | 613 | +16% | 166 | 152 | +9% |
| Operating result (EBIT) | 411 | 268 | +53% | 172 | 32 | +438% |
| Group net income | 150 | 107 | +40% | 66 | 21 | +214% |
| Return on investment | 4.1% | 3.7% | +0.4%pts | 3.3% | 3.6% | (0.3%)pts |

EBIT (€m)



¹ EBIT margin reflects a Talanx Group view

Comments

- FY2015 GWP up by 19.7% (adjusted for currency effects: +9.5%), mainly from Longevity, Emerging Markets, especially China as well as Australia.
- FY2015 net premium earned grew by 10.0% on currency-adjusted basis
- Significantly improved technical result reflects underlying profitability
- Net investment income supported by one-off in Q1 2015; €-26.1m effect from ModCo derivatives
- Other income influenced by higher income from deposit accounting contracts
- FY2015 EBIT grew by 53.0% y/y. FY 2015 EBIT margin¹ of 6.3% (Y2014: 5.0%) for the segment



Attractive premium growth and significantly improved results

Agenda

I Group Highlights

II Segments

III Investments / Capital

IV Outlook

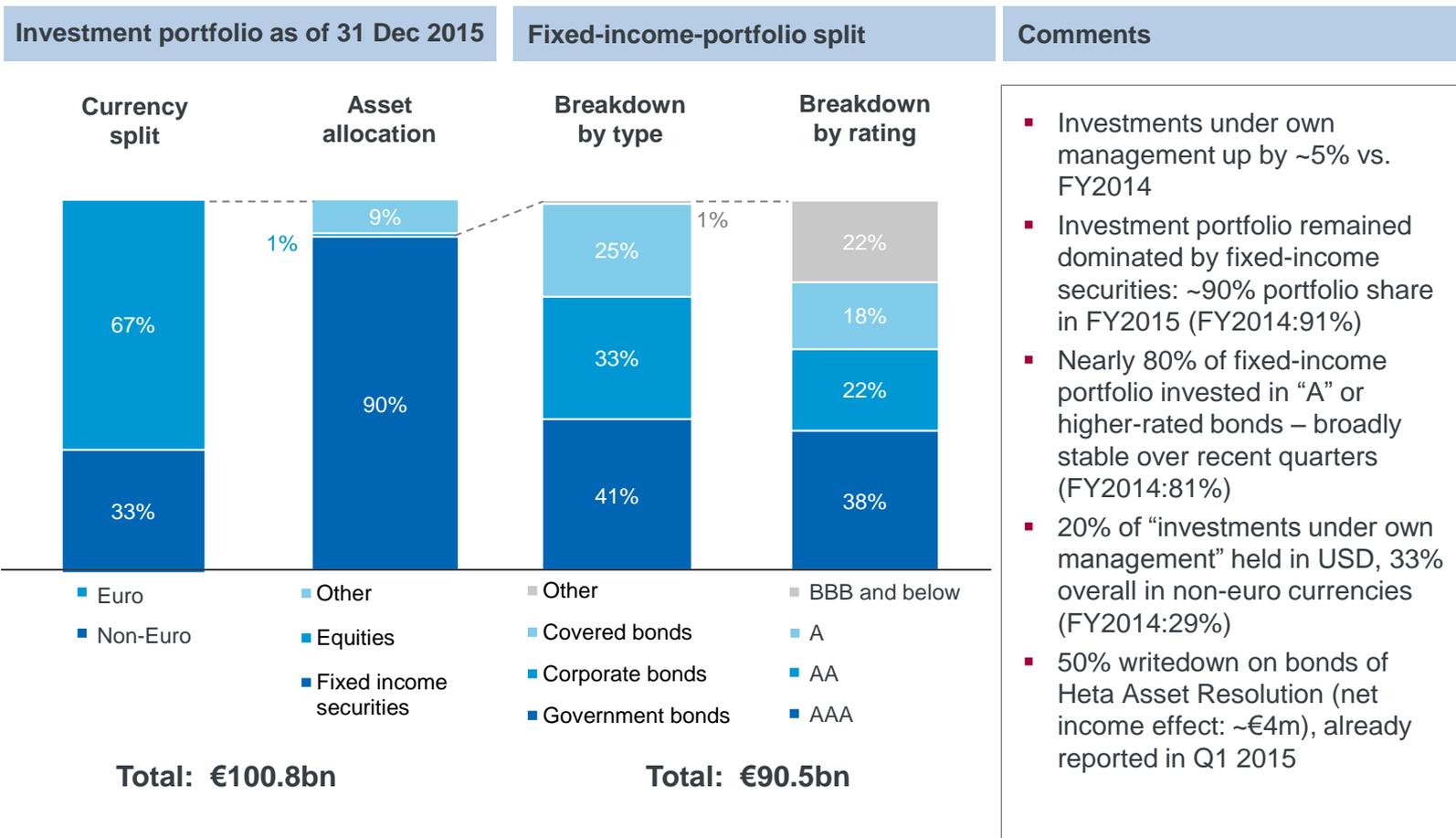
Appendix

Mid-term Target Matrix

FY2015 Additional Information



Investments – Breakdown of investment portfolio



Investment strategy unchanged – portfolio dominated by strongly rated fixed-income securities



Net investment income

Net investment income Talanx Group

| €m, IFRS | FY2015 | FY2014 | Change | Q4 2015 | Q4 2014 | Change |
|--|--------------|--------------|-------------|------------|--------------|--------------|
| Ordinary investment income | 3,444 | 3,202 | +8% | 913 | 801 | +14% |
| thereof current investment income from interest | 2,887 | 2,888 | 0% | 710 | 726 | (2%) |
| thereof profit/loss from shares in associated companies | 24 | 9 | +166% | 16 | (1) | n/m |
| Realised net gains/losses on investments | 527 | 851 | (38%) | 61 | 374 | (84%) |
| Write-ups/write-downs on investments | (214) | (66) | n/m | (90) | (38) | n/m |
| Unrealised net gains/losses on investments | 20 | (4) | n/m | 31 | (26) | n/m |
| Investment expenses | (231) | (207) | n/m | (71) | (53) | n/m |
| Income from investments under own management | 3,546 | 3,776 | (6%) | 844 | 1,058 | (20%) |
| Income from investment contracts | 9 | 10 | (3%) | 3 | 2 | +24% |
| Interest income on funds withheld and contract deposits | 378 | 358 | +5% | 97 | 87 | +11% |
| Total | 3,933 | 4,144 | (5%) | 944 | 1,148 | (18%) |

¹ Already reported in Q1 2015

Comments

- Ordinary investment income up by 8% in FY2015, mainly benefitting from higher assets under management, a one-off payment following a withdrawal from a US-transaction in Life&Health Reinsurance (~€40m)¹ and increasing positive impact from alternative assets, overcompensating the lower ordinary interest income in Q4 2015
- Realised investment net gains of €527m in FY2015 significantly reduced y/y due to lower realisations in Retail Germany to finance ZZR (allocation according to German GAAP in FY2015: €493m vs. FY 2014: €358m)
- Writedowns includes a 50% impairment of the bond position in Heta Asset Resolution (mid double-digit €m amount)¹ and an €20m impairment in the joint venture with Magma/India
- Impact from results in reinsurance derivatives in FY2015: ModCo: €-26m (FY2014: €-7m) and inflation swaps: €-14m (€-29m); in Q4 2015: ModCo: €-7m (Q4 2014: €-5m) and inflation swaps: €0m (Q4 2014: €-25m)

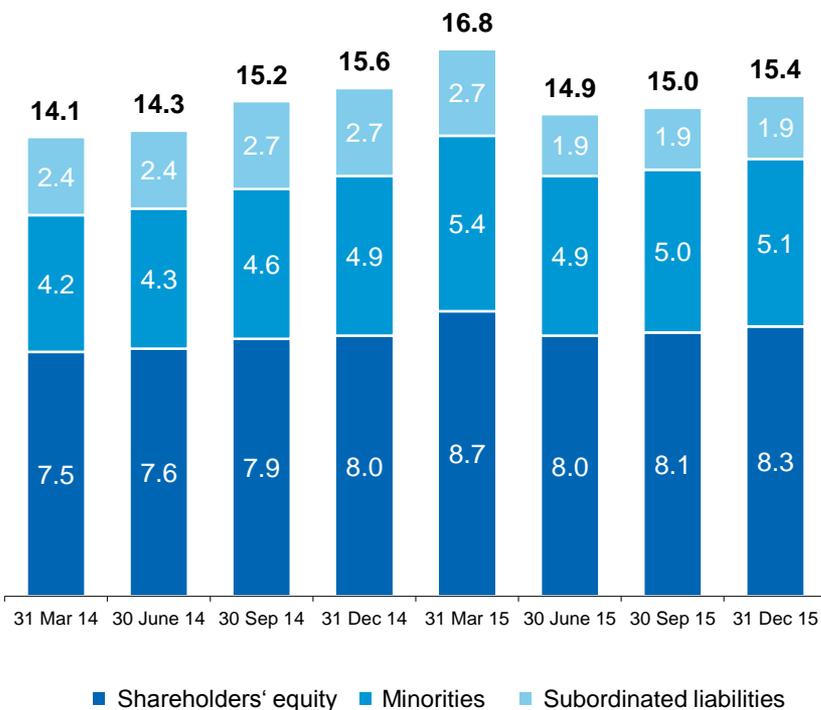


FY2015 ROI reached 3.6% - despite significantly lower realisations in H2 2015



Equity and capitalisation – Our equity base

Capital breakdown (€bn)



Note: Figures adjusted due to IAS8

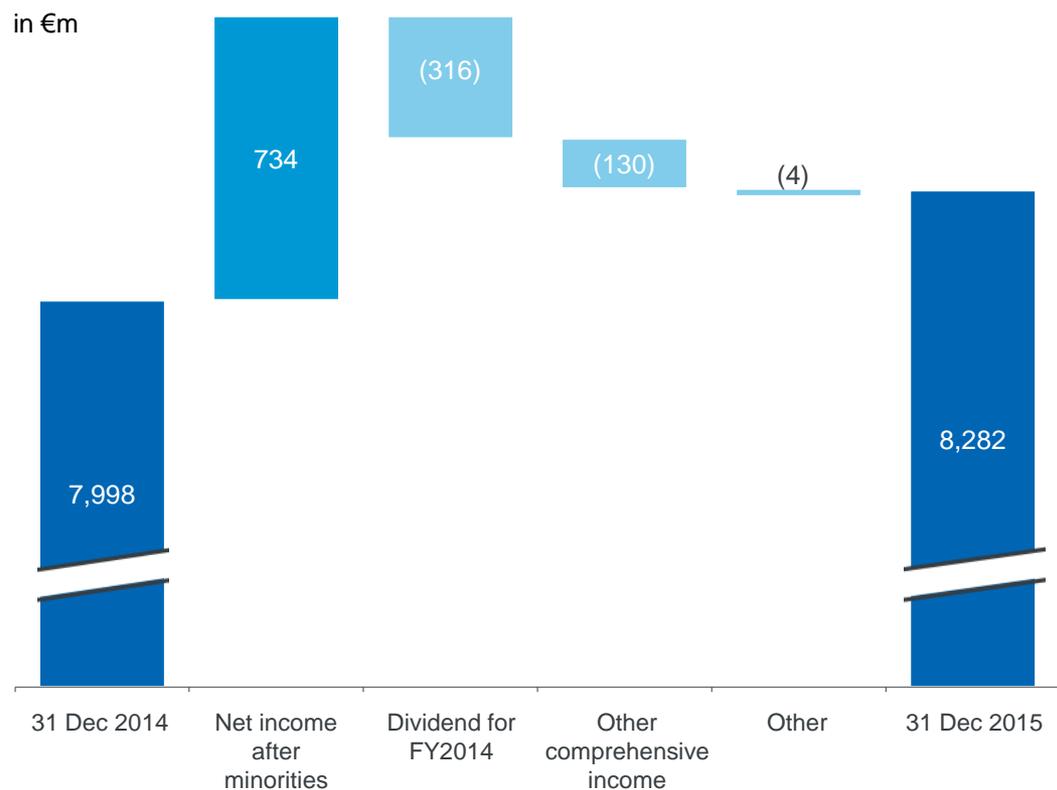
Comments

- End of December 2015, shareholders' equity stood at €8,282 million or €32.76 per share. Despite the dividend payment in May (€316m), the goodwill impairment on German Life in Q2 2015 (€155m) and wider credit spreads, this was above the FY2014 level of €7,998m (€31.64 per share). Compared to 9M 2015, shareholders' equity was up by €203m
- Book value per share stood at €32.76 (FY2014: €31.64), while NAV (excl. goodwill) per share was €28.66 (€27.33) end of December 2015
- Neither book value per share nor NAV contain off-balance sheet reserves. These amounted to €381m (see next page), or €1.51 per share (shareholder share only). This added up to an adjusted book value of €34.27 per share and an NAV including goodwill of €30.17



Shareholders' equity up by ~€280m vs. FY2014 and by ~€200m vs. 9M 2015

II Equity and capitalisation – Contribution to change in equity



Comments

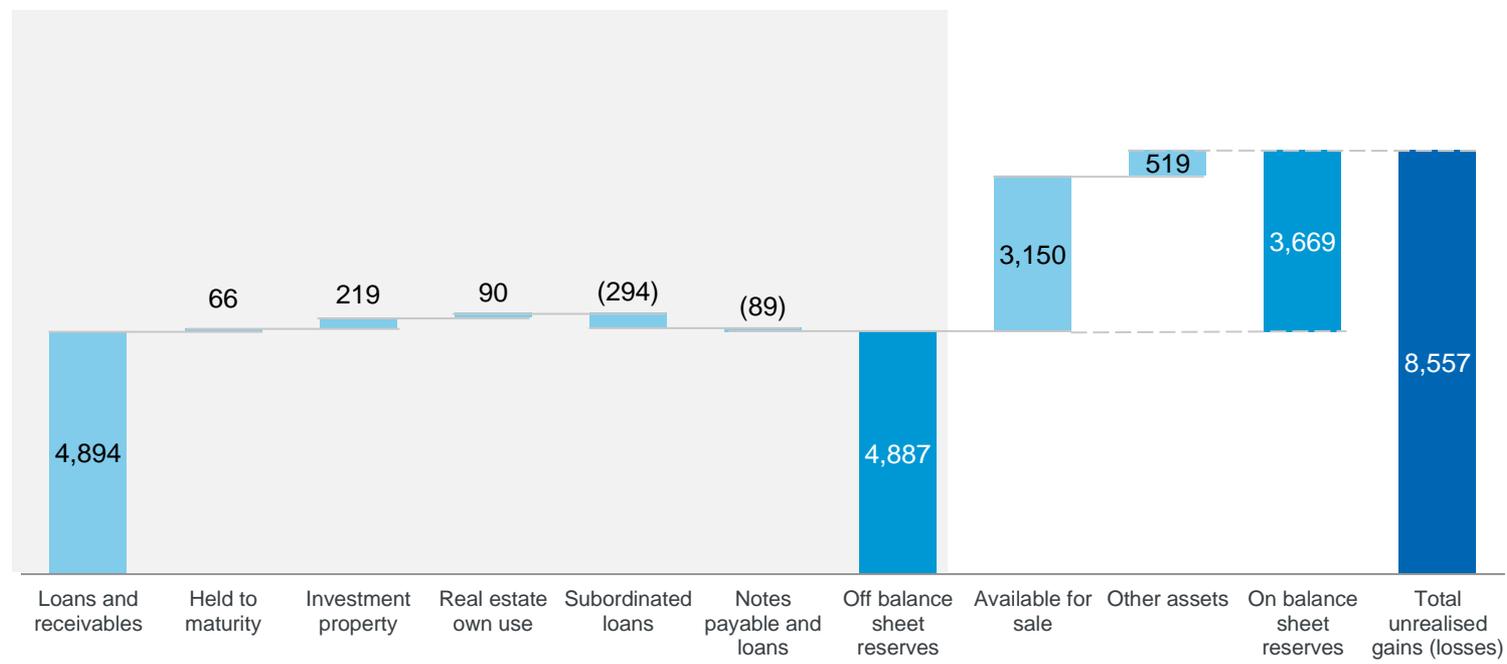
- End of FY2015, shareholders' equity stood at €8,282m (€32.76 per share)
- This was above the FY2014 level (€7,998m or €31.64 per share) despite the dividend payment (€316m), the goodwill impairment for German Life business €155m and widening of credit spreads

 Shareholders' equity up to €8,282m or €32.76 per share



Equity and capitalisation – Unrealised gains

Unrealised gains and losses (off and on balance sheet) as of 31 December 2015 (€m)



| | Loans and receivables | Held to maturity | Investment property | Real estate own use | Subordinated loans | Notes payable and loans | Off balance sheet reserves | Available for sale | Other assets | On balance sheet reserves | Total unrealised gains (losses) |
|-----------|-----------------------|------------------|---------------------|---------------------|--------------------|-------------------------|----------------------------|--------------------|--------------|---------------------------|---------------------------------|
| 31 Dec 14 | 5,870 | 120 | 175 | 93 | (363) | (98) | 5,797 | 4,779 | 482 | 5,262 | 11,059 |

Δ market value vs. book value

Note: Differences due to rounding error may occur

▶ Off-balance sheet reserves of ~€4.9bn – about €381m (€1.51 per share) attributable to shareholders (net of policyholders, taxes & minorities)

Agenda

I Group Highlights

II Segments

III Investments / Capital

IV Outlook

Appendix

Mid-term Target Matrix

FY2015 Additional Information



Outlook for Talanx Group 2016¹

| | |
|-----------------------|---------------------|
| Gross written premium | stable |
| Return on investment | ≥3.0% |
| Group net income | ~€750m |
| Return on equity | >8.5% |
| Dividend payout ratio | 35-45% target range |

¹ The targets are based on an unchanged large loss budget of €290m in Primary Insurance, of which €260m in Industrial Lines. The large loss budget in Reinsurance has been raised to €825m from €690m



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 Highlights

II Segments

III Investments / Capital

IV Outlook

Appendix

Mid-term Target Matrix

FY2015 Additional Information

A Mid-term Target Matrix

| Segments | Key figures | Strategic targets (2015 - 2019) | |
|--|---|---|----------|
| Group | Gross premium growth ¹ | 3 - 5% | |
| | Return on equity | ≥ 750 bps above risk free ² | |
| | Group net income growth | mid single-digit percentage growth rate | |
| | Dividend payout ratio | 35 - 45% | |
| | Return on investment | ≥ risk free + (150 to 200) bps ² | |
| Primary Insurance | Industrial Lines | Gross premium growth ¹ | 3 - 5% |
| | | Retention rate | 60 - 65% |
| | Retail Germany | Gross premium growth | ≥ 0% |
| | Retail International | Gross premium growth ¹ | ≥ 10% |
| | Combined ratio ³ | ~ 96% | |
| EBIT margin ⁴ | | ~ 6% | |
| Non-Life Reinsurance⁷ | Gross premium growth ⁶ | 3 - 5% | |
| | Combined ratio ³ | ≤ 96% | |
| | EBIT margin ⁴ | ≥ 10% | |
| Life & Health Reinsurance⁷ | Gross premium growth ¹ | 5 - 7% | |
| | Average value of New Business (VNB) after minorities ⁵ | > € 90m | |
| | EBIT margin ⁴ financing and longevity business | ≥ 2% | |
| | EBIT margin ⁴ mortality and health business | ≥ 6% | |

¹ Organic growth only; currency-neutral

² Risk-free rate is defined as the 5-year rolling average of the 10-year German government bond yield

³ Talanx definition: incl. net interest income on funds withheld and contract deposits

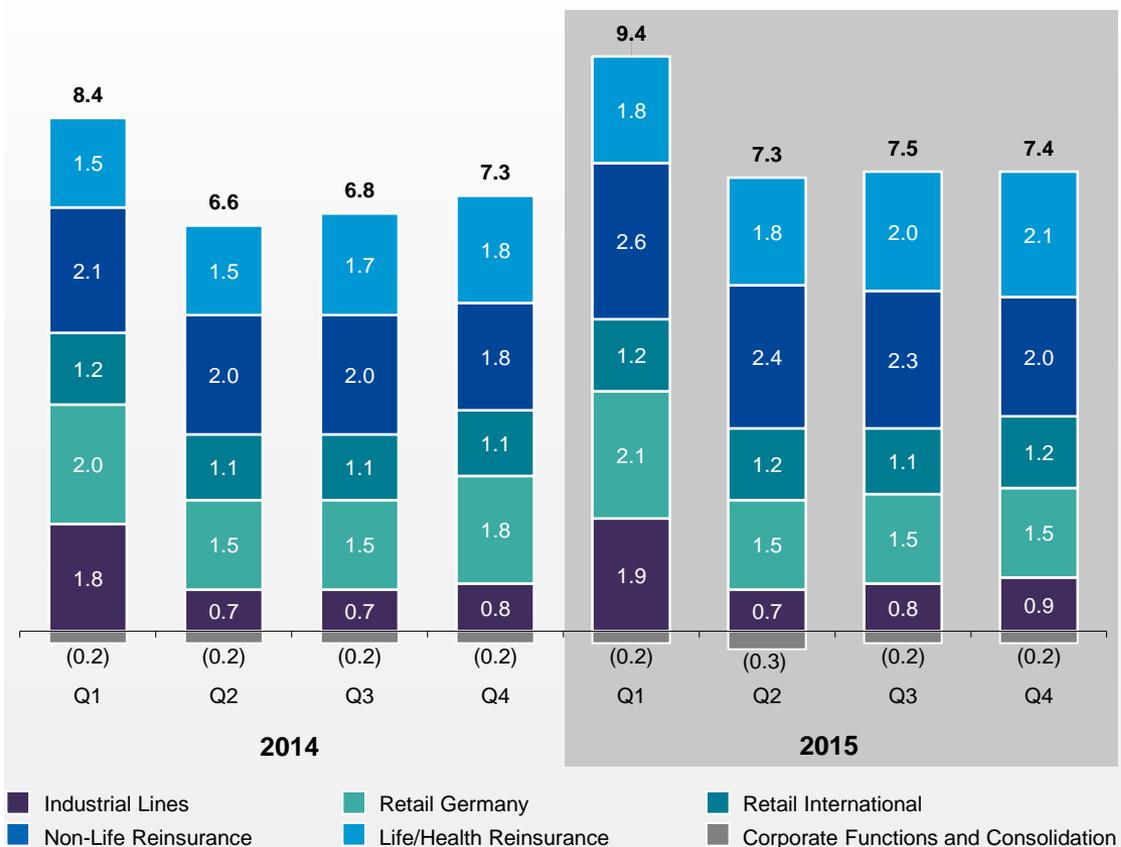
⁴ EBIT/net premium earned, ⁵ Reflects Hannover Re target of at least €180m

⁶ Average throughout the cycle; currency-neutral, ⁷ Targets reflect Hannover Re's targets for 2015-2017 strategy cycle

Note: growth targets are based on 2014 results. Growth rates, combined ratios and EBIT margins are average annual targets

A FY2015 Additional Information - GWP trend

GWP development (€bn)



Comments

- Q4 2015 showed 2.5% GWP growth (curr.-adj.: -2.5%, mainly due to expected decline in Retail Germany)
- Industrial Lines and Reinsurance main beneficiaries of currency impact
- Retail International is impacted by depreciation of Brazilian Real, still delivering 2.9% top-line growth (curr.-adj.: +6.1%)
- All segments apart from Retail Germany contributed to GWP growth y/y

All segments apart from from Retail Germany contributed to GWP growth of 9.7% in FY2015 and 2.5% in Q4 2015 - overall currency impact positive

| | Industrial Lines | | | Retail Germany | | | Retail International | | |
|---|------------------|--------|-----------|----------------|---------|-----------|----------------------|--------|-----------|
| €m, IFRS | FY2015 | FY2014 | Change | FY2015 | FY2014 | Change | FY2015 | FY2014 | Change |
| P&L | | | | | | | | | |
| Gross written premium | 4,295 | 4,031 | +7% | 6,667 | 6,890 | (3%) | 4,643 | 4,454 | +4% |
| Net premium earned | 2,213 | 2,022 | +9% | 5,418 | 5,630 | (4%) | 3,706 | 3,735 | (1%) |
| Net underwriting result | 18 | (61) | n/m | (1,463) | (1,953) | n/m | (7) | (11) | n/m |
| Net investment income | 206 | 268 | (23%) | 1,731 | 1,899 | (9%) | 338 | 321 | +5% |
| Operating result (EBIT) | 208 | 182 | +14% | 3 | (115) | n/m | 217 | 208 | +4% |
| Net income after minorities | 127 | 121 | +5% | (76) | (84) | n/m | 148 | 122 | +21% |
| Key ratios | | | | | | | | | |
| Combined ratio non-life insurance and reinsurance | 99.2% | 103.0% | (3.8%)pts | 99.3% | 108.6% | (9.3%)pts | 96.3% | 96.4% | (0.1%)pts |
| Return on investment | 2.8% | 3.8% | (1.0%)pts | 3.7% | 4.3% | (0.6%)pts | 4.4% | 4.7% | (0.3%)pts |

Note: Differences due to rounding may occur

A FY2015 Additional Information - Segments (continued)

| | Non-Life Reinsurance | | | Life and Health Reinsurance | | | Group | | |
|---|----------------------|--------|-----------|-----------------------------|--------|---------|---------|---------|-----------|
| €m, IFRS | FY2015 | FY2014 | Change | FY2015 | FY2014 | Change | FY2015 | FY2014 | Change |
| P&L | | | | | | | | | |
| Gross written premium | 9,338 | 7,903 | +18% | 7,731 | 6,459 | +20% | 31,799 | 28,994 | +10% |
| Net premium earned | 8,100 | 7,011 | +16% | 6,492 | 5,411 | +20% | 25,937 | 23,844 | +9% |
| Net underwriting result | 427 | 349 | +22% | (351) | (384) | n/m | (1,370) | (2,058) | n/m |
| Net investment income | 966 | 867 | +11% | 709 | 613 | +16% | 3,933 | 4,144 | (5%) |
| Operating result (EBIT) | 1,391 | 1,219 | +14% | 411 | 268 | +53% | 2,182 | 1,892 | +15% |
| Net income after minorities | 456 | 401 | +14% | 150 | 107 | +40% | 734 | 769 | (5%) |
| Key ratios | | | | | | | | | |
| Combined ratio non-life insurance and reinsurance | 94.5% | 94.7% | (0.2%)pts | --- | --- | --- | 96.0% | 97.9% | (1.9%)pts |
| Return on investment | 3.2% | 3.2% | 0.0%pts | 4.1% | 3.7% | 0.4%pts | 3.6% | 4.1% | (0.5%)pts |

Note: Differences due to rounding may occur

Retail Germany

| GWP, €m, IFRS | FY2015 | FY2014 | Change |
|---|--------------|--------------|-------------|
| Non-life Insurance | 1,499 | 1,539 | (3%) |
| HDI Versicherung AG | 1,358 | 1,402 | (3%) |
| Life Insurance | 5,167 | 5,351 | (3%) |
| HDI Lebensversicherung AG | 2,149 | 2,274 | (6%) |
| neue leben Lebensversicherung AG ¹ | 1,107 | 1,088 | +2% |
| TARGO Lebensversicherung AG | 980 | 962 | +2% |
| PB Lebensversicherung AG | 781 | 824 | (5%) |
| Total | 6,667 | 6,890 | (3%) |

Retail International

| GWP, €m, IFRS | FY2015 | FY2014 | Change |
|--|--------------|--------------|-------------|
| Non-life Insurance | 3,248 | 2,915 | +11% |
| HDI Seguros S.A., Brazil | 884 | 901 | (2%) |
| TUiR Warta S.A. ² , Poland | 854 | 792 | +8% |
| TU Europa S.A. ³ , Poland | 152 | 216 | (30%) |
| HDI Assicurazioni S. p. A., Italy (P&C) | 346 | 332 | +4% |
| HDI Seguros S.A. De C.V., Mexico | 264 | 189 | +40% |
| HDI Sigorta A.Ş., Turkey | 232 | 201 | +15% |
| Life Insurance | 1,396 | 1,540 | (9%) |
| TU Warta Zycie S.A., Poland ² | 371 | 325 | +14% |
| TU Europa Zycie, Poland ³ | 194 | 205 | (5%) |
| Open Life ³ | 18 | 28 | (37%) |
| HDI Assicurazioni S. p. A., Italy (Life) | 492 | 615 | (20%) |
| Total | 4,643 | 4,454 | +4% |

¹ Talanx ownership 67.5%

² Talanx ownership of 75.74%

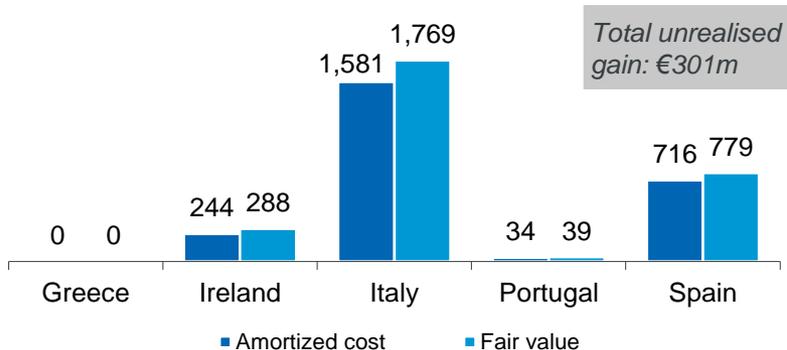
³ Talanx ownership 50% + 1 share

Total GIIPS exposure (31 December 2015)

| €m | Government bonds | | Corporate bonds | | | | Total |
|--------------|------------------|----------------|-----------------|--------------|--------------|------------|--------------|
| | Sovereign | Semi-Sovereign | Financial | Corporate | Covered | Other | |
| Greece | - | - | - | - | - | - | 0 |
| Ireland | 288 | - | 32 | 93 | 547 | 363 | 1,324 |
| Italy | 1,769 | - | 604 | 613 | 327 | - | 3,313 |
| Portugal | 39 | - | 3 | 38 | 17 | - | 97 |
| Spain | 779 | 531 | 230 | 411 | 226 | - | 2,177 |
| Total | 2,876 | 531 | 869 | 1,155 | 1,117 | 363 | 6,910 |

Details on sovereign exposure in €m

Total: €2,574m (amortized cost), €2,876m (fair value)



Comments

- Total GIIPS exposure incl. private sector assets at ~4.5% of total assets (30.12.2014:~4.8%)
- GIIPS sovereign exposure at 1.9% of total assets (FY2014: 1.8%)
- Fixed income assets from sovereigns and financials somewhat up compared to FY 2014, corporate bonds and covered bonds down
- Total unrealised gains up €18m vs. Q3 2015 and down by €79m since FY 2014, mainly due to interest rate movements in Europe



GIIPS sovereign exposure just slightly up to ~1.9% of total assets

Disclaimer

This presentation contains forward-looking statements which are based on certain assumptions, expectations and opinions of the management of Talanx AG (the "Company") or cited from third-party sources. These statements are, therefore, subject to certain known or unknown risks and uncertainties. A variety of factors, many of which are beyond the Company's control, affect the Company's business activities, business strategy, results, performance and achievements. Should one or more of these factors or risks or uncertainties materialize, actual results, performance or achievements of the Company may vary materially from those expressed or implied as being expected, anticipated, intended, planned, believed, sought, estimated or projected in the relevant forward-looking statement.

The Company does not guarantee that the assumptions underlying such forward-looking statements are free from errors nor does the Company accept any responsibility for the actual occurrence of the forecasted developments. The Company neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by the Company as being accurate. Presentations of the company usually contain supplemental financial measures (e.g., return on investment, return on equity, gross/net combined ratios, solvency ratios) which the Company believes to be useful performance measures but which are not recognised as measures under International Financial Reporting Standards, as adopted by the European Union ("IFRS"). Therefore, such measures should be viewed as supplemental to, but not as substitute for, balance sheet, statement of income or cash flow statement data determined in accordance with IFRS. Since not all companies define such measures in the same way, the respective measures may not be comparable to similarly-titled measures used by other companies. This presentation is dated as of 21 March 2016. Neither the delivery of this presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date. This material is being delivered in conjunction with an oral presentation by the Company and should not be taken out of context.