

A 3D cube graphic with a light blue top face and dark blue side faces, positioned behind the year '2019'.

2019

PERFORMANCE AND RESULTS

6M 2019 Results
12 August 2019

Dr. Immo Querner, CFO

tal anx.
Insurance. Investments.

Good 6M 2019 results

Strong GWP growth of 11.2% y/y (curr.-adj. +10.1%) – all segments contributing

Both retail divisions drive EBIT improvement – Positive one-off in L/H Reinsurance

“20/20/20” above original target – Industrial Lines 2019 CR outlook of ~100% unchanged

6M 2019 Group net income of EUR 477m (+9.4% y/y) – Group RoE at 10.4%

FY 2019 Group net income outlook raised to “more than EUR 900m”

Agenda

- 1** Group Highlights
- 2 Segments
- 3 Investments / Capital
- 4 Outlook
- 5 Appendix
 - Mid-term Target Matrix
 - Additional Information
 - Risk Management

1

6M 2019 results – Key financials: Further profitable growth

EURm	6M 2019	6M 2018	Delta	Comments
Gross written premiums (GWP)	20,864	18,760	+11%	▶ Strong growth momentum continues. GWP +10% curr.-adj.
Net premiums earned	15,917	14,435	+10%	
Net underwriting result	(708)	(748)	+5%	
t/o P/C	226	272	(17%)	
t/o Life	(934)	(1,021)	+9%	
Net investment income	1,986	2,007	(1%)	▶ Decrease of extraordinary investment result (ZZR-driven)
Other income / expenses	(34)	(47)	+28%	▶ Both retail divisions continue to drive EBIT increase. EUR 100m capital gain from Viridium in L/H Reinsurance
Operating result (EBIT)	1,244	1,212	+3%	
Financing interests	(94)	(84)	(12%)	▶ EBIT improvement and lower tax ratio result in 9% bottom-line increase
Taxes on income	(293)	(357)	+18%	
Net income before minorities	858	771	+11%	
Non-controlling interests	(380)	(334)	(14%)	
Net income after minorities	477	437	+9%	
Combined ratio	97.5%	96.7%	+0.8%pts	▶ Well above the (800 bps + risk-free rate) minimum target
Tax ratio	25.4%	31.6%	(6.2%)pts	
Return on equity	10.4%	10.0%	+0.4%pts	
Return on investment	3.3%	3.5%	(0.2%)pts	

Note: The minimum RoE target (of 800 bps + 5-year average of 10-year Bund yields) is expected to be 8.3% for FY 2019

1

Q2 2019 results – Key financials: Further profitable growth

EURm	Q2 2019	Q2 2018	Delta	Comments
Gross written premiums (GWP)	9,148	8,200	+12%	▶ Ongoing growth momentum
Net premiums earned	8,075	7,446	+8%	
Net underwriting result	(350)	(318)	(10%)	
t/o P/C	83	154	(46%)	
t/o Life	(434)	(473)	+8%	
Net investment income	998	944	+6%	▶ Lower ZZR-induced realisation of capital gains overcompensated by Viridium effect in L/H Reinsurance
Other income / expenses	(20)	(6)	(216%)	
Operating result (EBIT)	628	620	+1%	
Financing interests	(49)	(43)	(12%)	
Taxes on income	(133)	(194)	+32%	
Net income before minorities	447	383	+17%	
Non-controlling interests	(205)	(164)	(25%)	
Net income after minorities	242	219	+11%	▶ Significant improvement of bottom-line result...
Combined ratio	98.1%	96.5%	+1.6%pts	
Tax ratio	22.9%	33.6%	(10.7%)pts	▶ ...helped by the decline in tax ratio of Reinsurance, including the largely tax-free Viridium effect
Return on equity	10.1%	10.2%	(0.1%)pts	
Return on investment	3.3%	3.3%	(0.0%)pts	

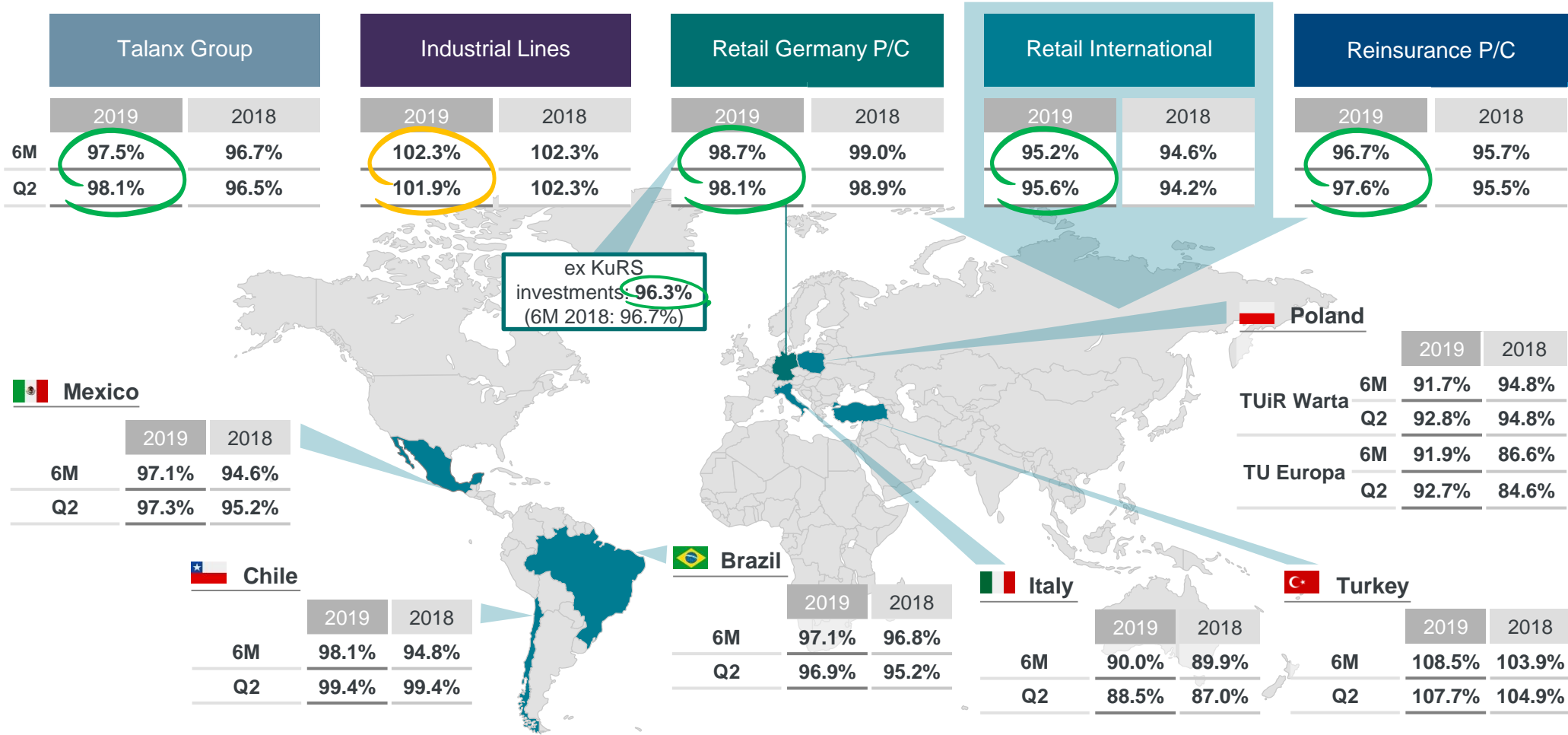
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Large loss budget underutilised, primary business with slight overshoot

Net losses Talanx Group in EURm, 6M 2019 (6M 2018)	Industrial Lines	Retail Germany	Retail International	∑ Primary Insurance	+ Reinsurance	= Talanx Group
Flood <i>Santo Andre</i> , Brazil [Mar.]	31.5		0.5	32.0		32.0
Storm <i>Eberhard</i> , Central Europe [Mar.]	4.7	7.4	2.7	14.8	16.6	31.4
Flood <i>Queensland</i> , Australia [Jan.-Feb.]	4.4			4.4	25.9	30.3
Hailstorm <i>Jörn</i> , Central Europe [Jun.]	7.5	12.8		20.3		20.3
Flood "Middle West", USA [Mar.-Apr.]	13.0			13.0		13.0
Earthquake <i>Chile</i> , South America [Jan.]			0.6	0.6	10.5	11.1
Sum NatCat	61.1 (24.0)	20.2 (11.9)	3.8 (0.1)	85.1 (40.4)	53.0 (42.4)	138.1 (82.8)
Fire/Property	70.2			70.2	55.9	126.2
Aviation	1.9			1.9	24.7	26.6
Marine	10.0			10.0	6.8	16.8
Sum other large losses	82.1 (107.2)	0.0 (0.0)	0.0 (0.0)	82.1 (107.2)	87.5 (50.9)	169.6 (158.1)
Total large losses	143.2 (131.2)	20.2 (11.9)	3.8 (0.1)	167.2 (147.7)	140.6 (93.3)	307.8 (241.0)
Pro-rata large loss budget	138.8	12.0	4.0	157.3	369.5	526.8
FY large loss budget	277.6	24.0	8.0	314.6	875.0	1,189.6
Impact on CR: materialised large losses	10.5%pts (10.6%pts)	2.8%pts (1.7%pts)	0.2%pts (0.0%pts)	4.4%pts (4.1%pts)	2.4%pts (1.8%pts)	3.2%pts (2.8%pts)
Impact on CR: large loss budget	10.2%pts (10.5%pts)	1.7%pts (1.7%pts)	0.2%pts (0.2%pts)	4.1%pts (4.2%pts)	6.2%pts (6.8%pts)	5.4%pts (5.7%pts)

Note: Definition "large loss": in excess of EUR 10m gross in either Primary Insurance or Reinsurance. No additional 6M 2019 Primary Insurance large losses (net) in Corporate Operations

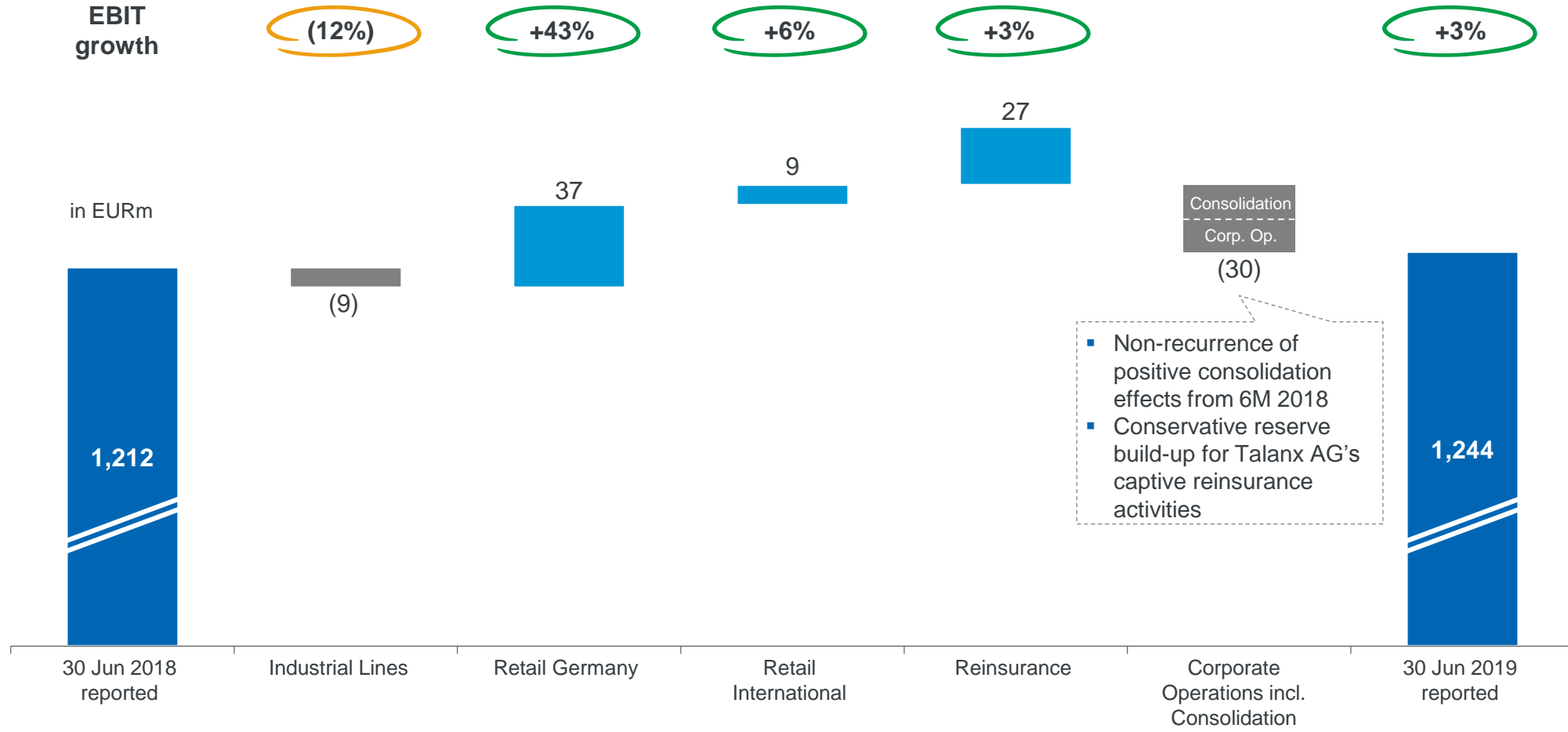
1 Combined Ratios



Note: Visual highlights only core markets plus Italy for Retail International. Turkey 6M 2019 EBIT of EUR 4m (+264% y/y)

1

6M 2019 – Both retail divisions and Viridium effect drive EBIT improvement



Note: Numbers may not add up due to rounding.

Agenda

1

Group Highlights

2

Segments

3

Investments / Capital

4

Outlook

5

Appendix

Mid-term Target Matrix

Additional Information

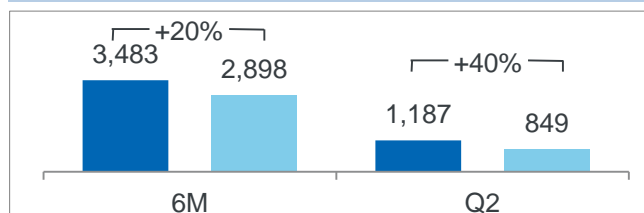
Risk Management

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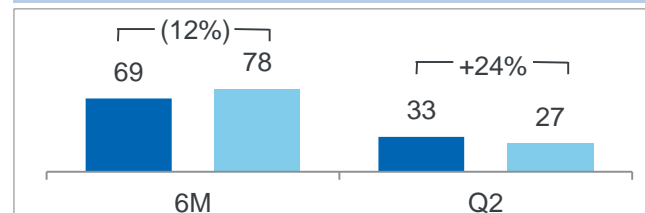
Industrial Lines: On track to reach ~100% combined ratio in FY 2019

EURm, IFRS ■ 2019 ■ 2018

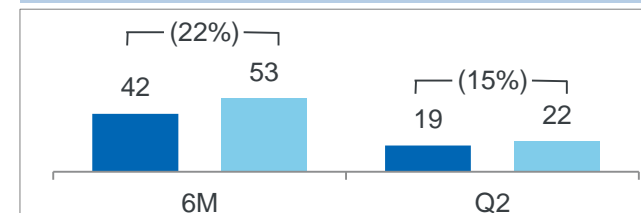
Gross written premiums (GWP)



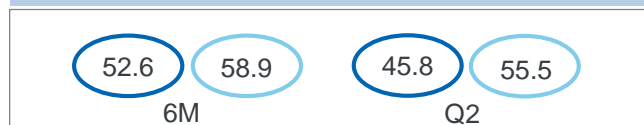
Operating result (EBIT)



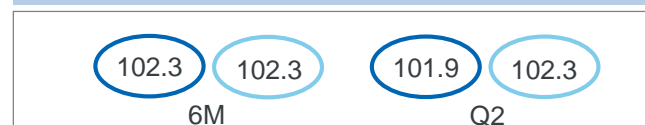
Net income



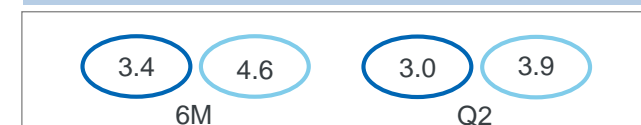
Retention rate in %



Combined ratio in %



RoE in %



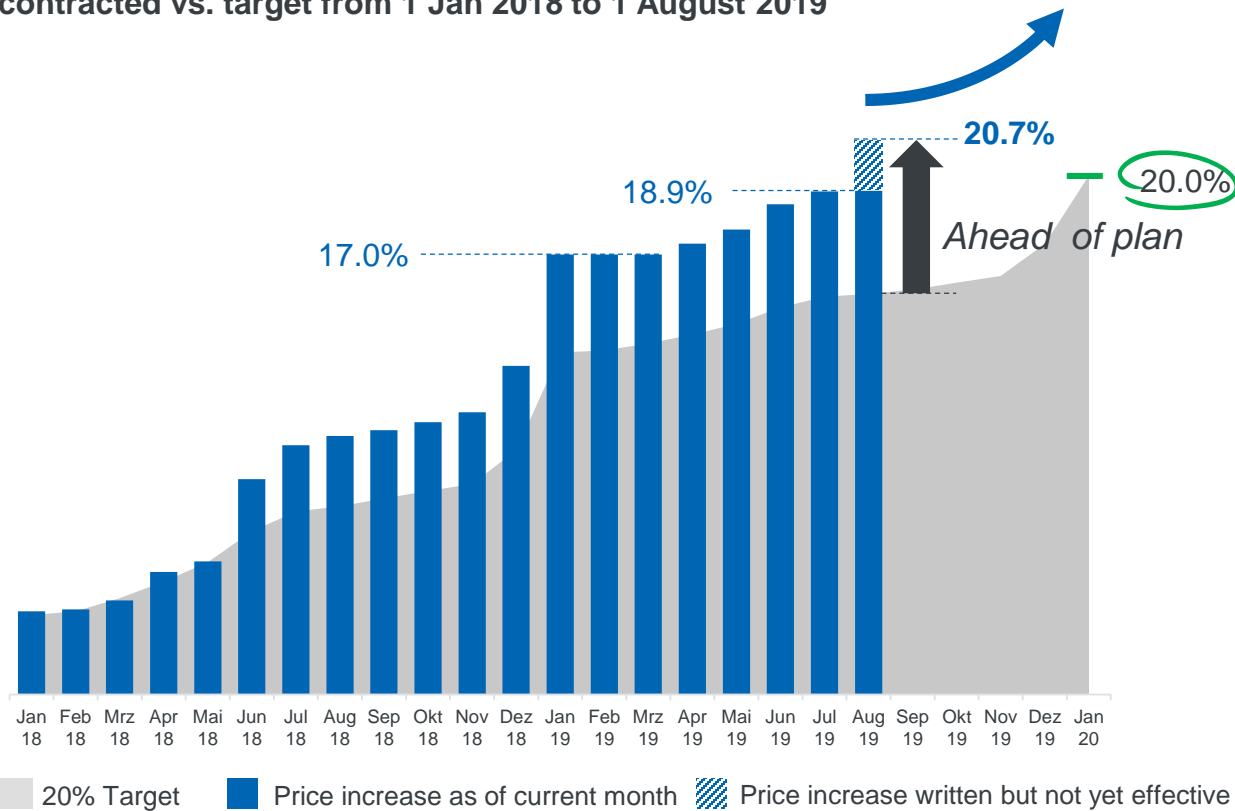
- 6M 2019 GWP up 20.2% (currency-adj.: +18.7%); adjusted for Specialty transfer effect (EUR 457m in 6M 2019 and EUR 246m in Q2 2019, both before growth), GWP was up 4.4% in 6M 2019, and up 10.9% in Q2 2019 y/y
- Increase in NPE smaller (+10.7%) given the initially high cession of Specialty business to Hannover Re
- As a consequence, divisional self-retention of 52.6% down vs. 6M 2018 (58.9%); also some dampening effect from reinstatement premiums paid in Q1 2019

- Large losses of EUR 143m after 6M 2019, slightly above budget (EUR 139m) and prior-year level of EUR 131m. Positive run-off result in 6M 2019 of EUR 32m, thereof EUR 26m in Q2 2019 (6M 2018: EUR 43m; Q2 2018: Eur 73m)
- Q2 combined ratio of 101.9% includes 0.8%pt for above-budgeted large losses
- Combined ratio of Fire business was 109% in 6M 2019, materially down from ~120% in 6M 2018 and ~140% in FY 2018
- From Jan 2019, other result includes recognition of administrative costs for Specialty business formerly booked in Reinsurance (EUR 10m in 6M 2019)

- 6M 2019 tax ratio of 31.5% higher than in 6M 2018 (27.8%) due to smaller EBIT contribution from lower tax operations. BEAT tax impact slightly higher
- "20/20/20" improvements written already ahead of year-end target. Ambition level raised to come back to profitability
- Divisional CR targets of ~100% in 2019 and below 100% in 2020 unchanged

“20/20/20” initiative update

Cumulative monthly price increase in Fire on renewed business: contracted vs. target from 1 Jan 2018 to 1 August 2019



- Improvements written already ahead of year-end target
- Ambition level raised to come back to profitability
- Claims experience in Fire market requires higher percentage increase
- Impact on gross premium base so far ~EUR 110m , or -12% of Fire business (net effect)¹
- Price increases from March 2019 level (17.0%) to August 2019 (18.9%) will further improve CR of Fire in H2 2019

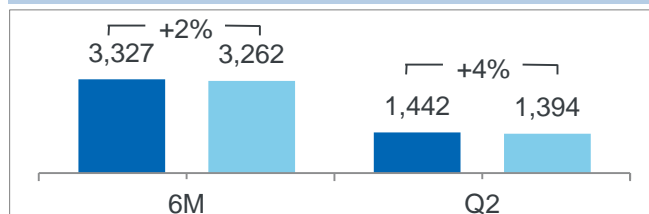
Note: Premium base defined as total premiums on 28 Feb 2019 minus dropped business. Price increase data include both premium increases and premium-equivalent measures.

¹ Excluding effects of new business, de-risking (reduction of consortial shares), changes on existing business (mostly changes of sums insured) and currencies.

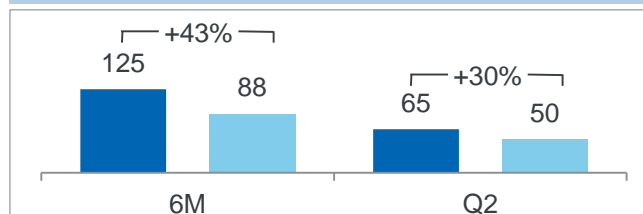
2 Retail Germany Division: Well on track

EURm, IFRS ■ 2019 ■ 2018

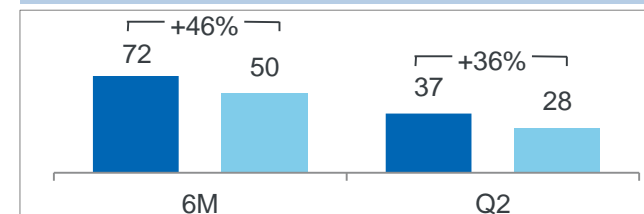
Gross written premiums (GWP)



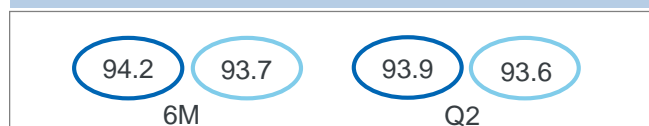
Operating result (EBIT)



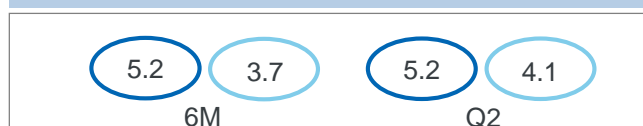
Net income



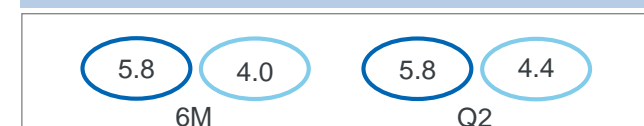
Retention rate in %



EBIT margin in %



RoE in %



- Gross and net premiums growth in Q2 and 6M 2019 y/y in both P/C and Life businesses
- GWP in P/C up 7.6% y/y in Q2 2019, up 2.0% in 6M 2019
- Net premiums earned up 4.4% in Q2 2019 y/y, up 2.9% in 6M 2019

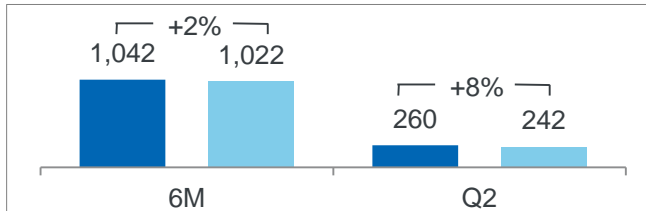
- Significant EBIT growth in both P/C (+16.4% y/y in Q2 2019, +37.4% in 6M 2019) and Life (+40.2% in Q2 2019 and +46.8% in 6M 2019)
- Total KuRS costs of EUR 23m in 6M 2019 (24m in 6M 2018) with P/C EBIT impact of EUR 19m (EUR 18m)
- Well on track to deliver at least EUR 240m EBIT in 2021 as targeted, despite growing investments into various digital initiatives

- Tax rate down slightly to 36.5% for 6M 2019 from 37.8% in 6M 2018. Higher than normalised level due to higher tax rate on investment results from consolidated alternative assets
- EBIT increase reflects two accounting-driven one-offs of net positive EUR 9m in Life business in Q2 2019

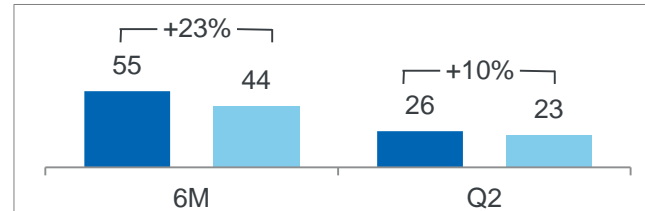
2 Retail Germany P/C: Further profitable growth

EURm, IFRS ■ 2019 ■ 2018

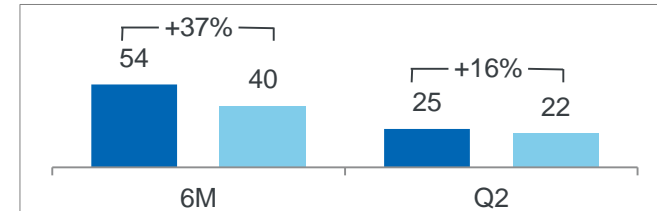
Gross written premiums (GWP)



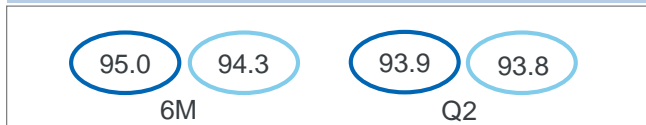
Net investment income



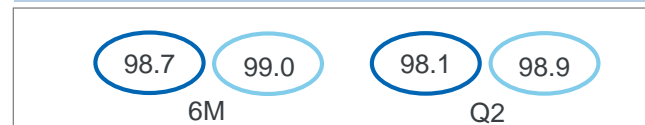
Operating result (EBIT)



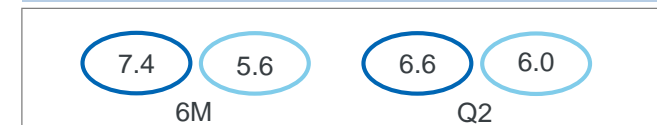
Retention rate in %



Combined ratio in %



EBIT margin in %



- 6M and Q2 2019 GWP increase driven by business with SMEs (Fire, MultiRisk) and self-employed professionals
- Motor business: 4.8% decline induced by price increases in 6M 2019 (43% of GWP); increase in Q2 2019 y/y due to higher portion of contracts renewable during the year compared with competitors; focus is on profitability
- Lower loss ratio also helped to achieve technical result of EUR 7.2m (up from EUR 2.5m in Q2 2018)

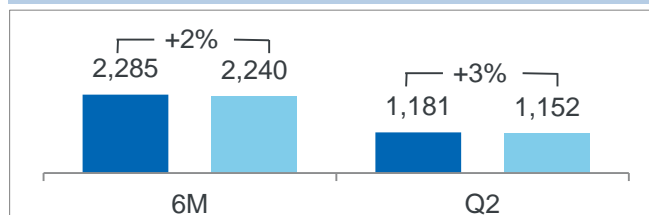
- Combined ratio impacted by KuRS costs of EUR 18m in 6M 2019 (16m in 6M 2018). Adjusting for these, combined ratio decreased to 96.3% (6M 2018: 96.7%), also reflecting the decline in the attritional loss ratio
- 6M 2019 net return on investment increased to 2.7% (from 2.2% in 6M 2018), due to higher income from real estate and unrealised gains on derivative instruments in special funds

- EBIT impact of KuRS costs with EUR 19m in 6M 2019 largely unchanged vs. 6M 2018 (18m)

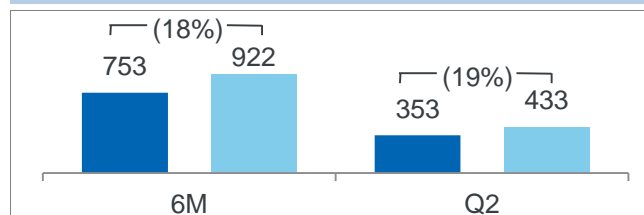
2 Retail Germany Life: Top and bottom line growth continues

EURm, IFRS ■ 2019 ■ 2018

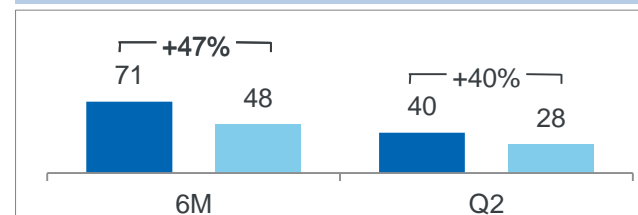
Gross written premiums (GWP)



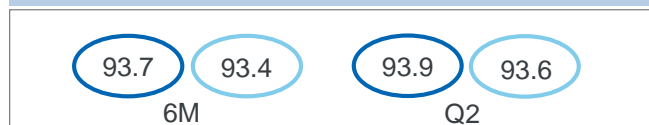
Net investment income



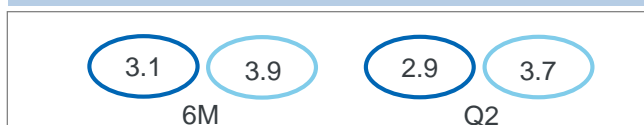
Operating result (EBIT)



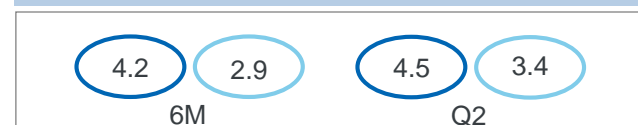
Retention rate in %



Return on investment in %



EBIT margin in %



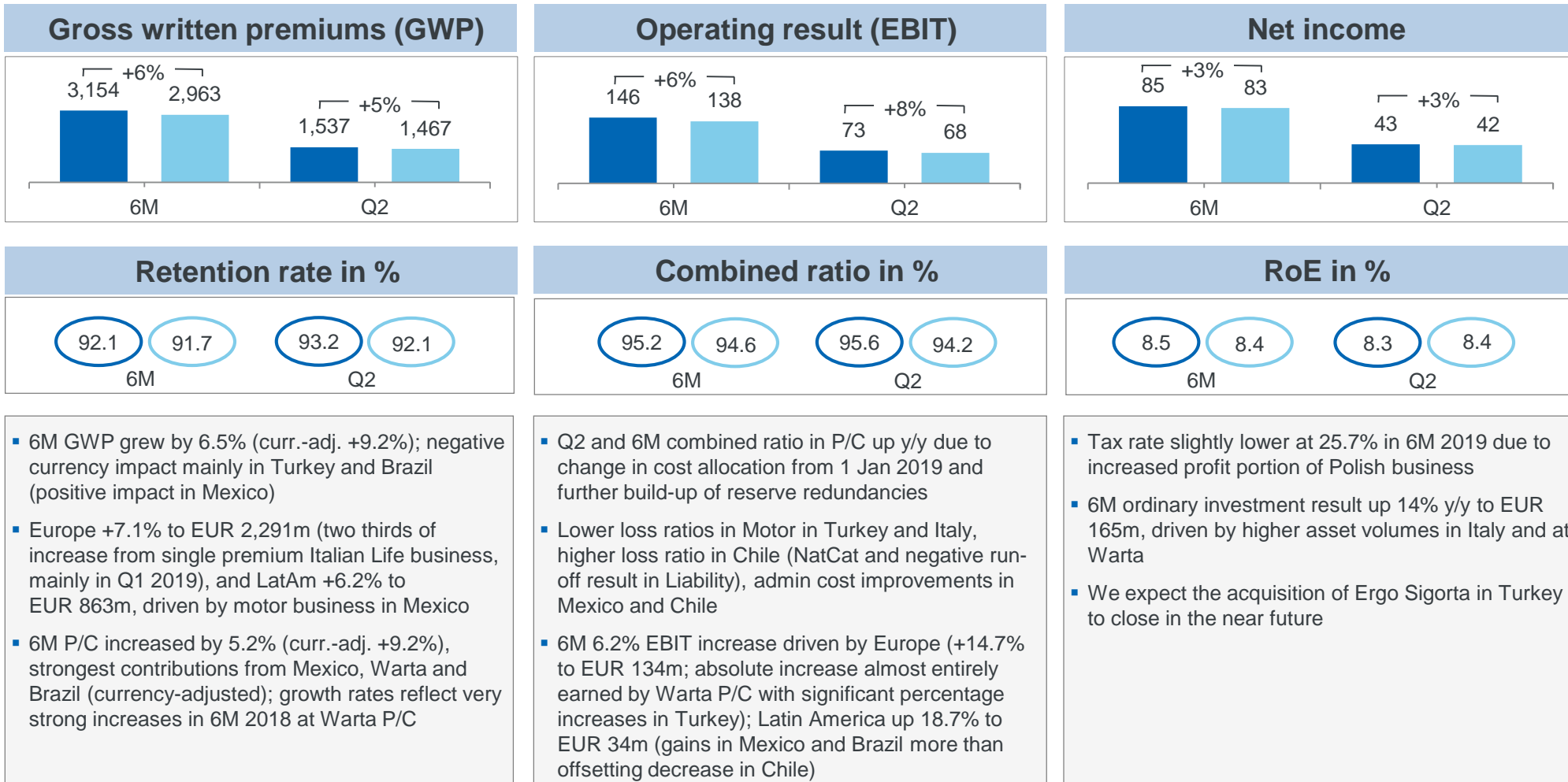
- Increase in single premium business in Q2 and 6M 2019 across carriers and in biometric risk protection business more than offset decrease in regular premiums
- Increase in net premiums earned in Q2 2019 by 4.4% y/y

- Net investment income down both in Q2 and 6M, driven by lower extraordinary gains (EUR 84m in 6M 2019 vs. EUR 253m in 6M 2018) due to regime shift in *Zinszusatzreserve* (ZZR) under German GAAP (HGB) in 2018
- Allocation of EUR 113m under HGB in Q2 2019 was higher than in Q1 2019 (EUR 61m) due to further decrease in interest rates; total ZZR as of 30 June 2019 at EUR 3.6bn; FY 2019 ZZR formation currently expected above 2018 level (EUR 301m)
- Ordinary investment income in 6M 2019 nearly stable at EUR 724m (EUR 727m in 6M 2018)

- As previously, change in ZZR allocation was P&L neutral
- EBIT increase reflects two accounting-driven one-offs of net positive EUR 9m in Life business in Q2 2019

2 Retail International continues its profitable growth

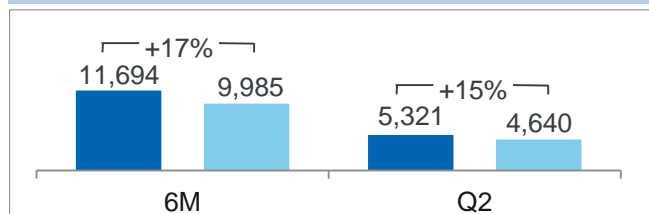
EURm, IFRS ■ 2019 ■ 2018



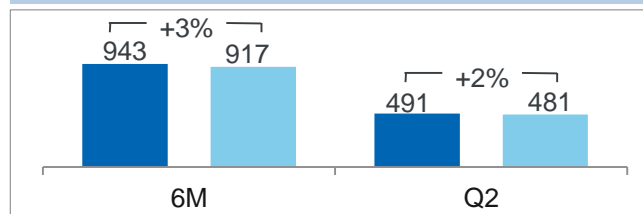
2 Reinsurance: RoE well above minimum target

EURm, IFRS ■ 2019 ■ 2018

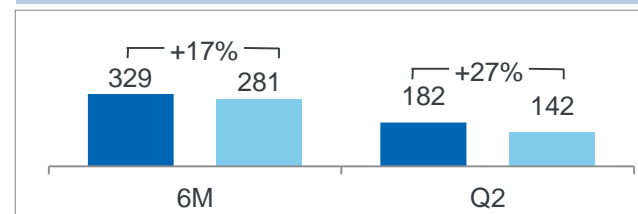
Gross written premiums (GWP)



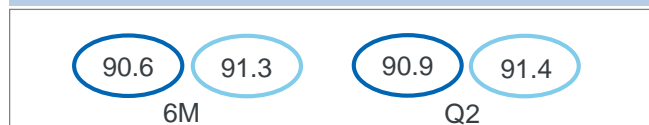
Operating result (EBIT)



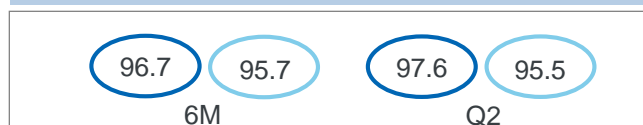
Net income (excl. minorities)



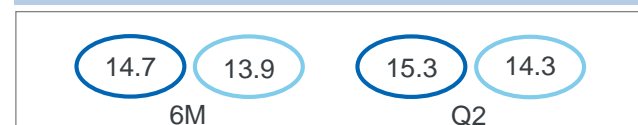
Retention rate in %



Combined ratio P/C in %



RoE (excl. minorities) in %



- GWP up by 17.1% (currency-adj. +14.5%) in 6M 2019, growth driven by EUR 1,380m, or 21%, increase in P/C
- Net premiums earned are up by +12.1% on a reported basis and by +10.0% on a currency-adjusted basis
- Retention ratio slightly down to 90.6% in 6M 2019

- 6M 2019 EBIT up by 2.9% y/y, supported by positive one-off effect in Life / Health business in Q2 2019 (Viridium, EUR 100m); adjusted for Viridium, 6M 2019 EBIT decreased by 8%
- Net large losses of EUR 141m in 6M 2019 well below pro-rata budget of EUR 370m
- Ordinary investment income increased by 9.7%, total investment income by 15.5% (including Viridium)
- Assets under own management up by 6% vs. Dec 2018 to more than EUR 44bn

- 6M 2019 net income attributable to Talanx shareholders up by +17% y/y
- Return on equity for 6M 2019 at 14.7% (+0.8%pt vs 6M 2018), well above minimum target

Agenda

1

Group Highlights

2

Segments

3

Investments / Capital

4

Outlook

5

Appendix

Mid-term Target Matrix

Additional Information

Risk Management

3 Net investment income

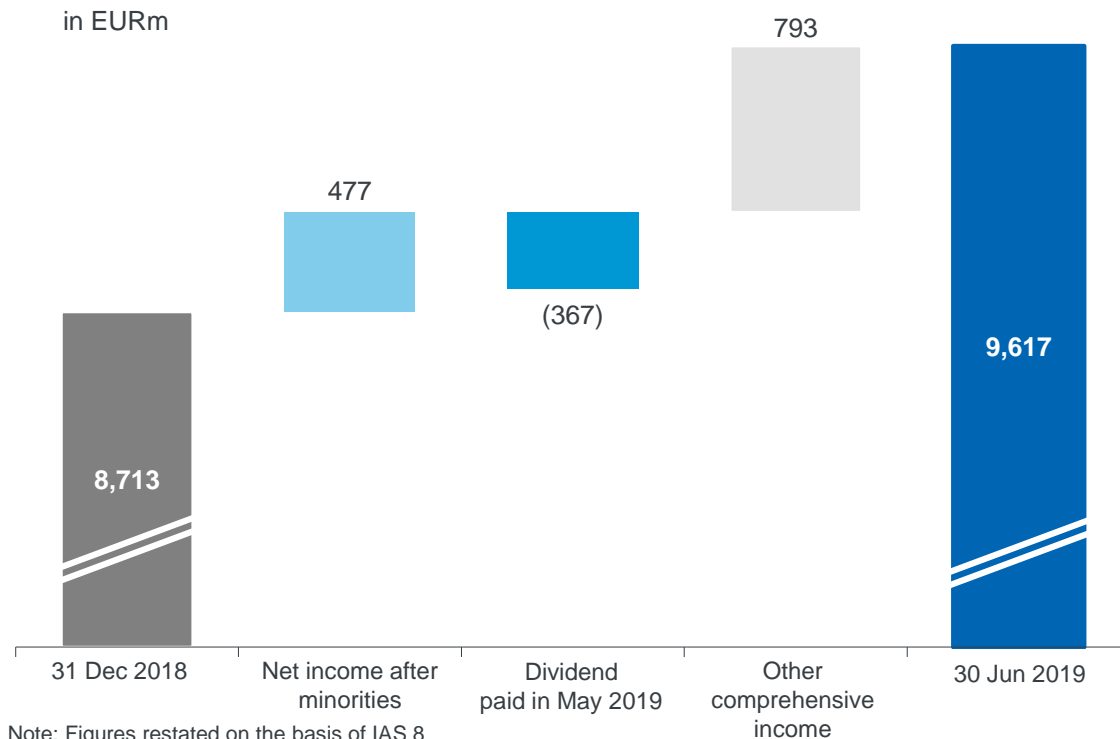
EUR m, IFRS	6M 2019	6M 2018	Change	Q2 2019	Q2 2018	Change	Comments
Ordinary investment income	1,778	1,687	+5%	908	836	+9%	5% increase in ordinary investment income in 6M 2019 supported by 7% rise in assets under own management
thereof current interest income	1,399	1,329	+5%	707	654	+8%	
thereof income from real estate	156	132	+19%	86	69	+25%	
Extraordinary investment income	246	334	(27%)	135	119	+14%	More than three quarters of increase from interest income despite further decline of interest rates
Realised net gains / losses on investments	268	420	(36%)	184	156	+18%	
Write-ups / write-downs on investments	(96)	(79)	(21%)	(58)	(37)	(56%)	Remaining increase in ordinary investment income mainly from real estate, offsetting decrease in private equity
Unrealised net gains / losses on investments	73	(6)	+1,276%	9	(0)	+8,334%	
Investment expenses	(125)	(120)	(4%)	(65)	(61)	(7%)	Realised net investment gains include EUR 100m one-time Viridium gain in L/H Reinsurance in Q2 EUR 152m net decrease in realised net investment gains in 6M 2019 (despite Viridium gain) was driven by EUR 187m decrease in ZZR-induced capital gains
Income from assets under own management	1,898	1,901	+0%	978	893	+9%	
Interest income on funds withheld and contract deposits	87	106	(19%)	19	52	(63%)	
Income from investment contracts	1	(0)	+1,366%	1	0	+647%	
Total: Net investment income	1,986	2,007	(1%)	998	945	+6%	
Assets under own management	118,738	110,756	+7%	118,738	110,756	+7%	
Net return on investment¹	3.3%	3.5%	(0.2%)pts	3.3%	3.3%	+0.0%pts	
Net ordinary return on investment ²	3.3%	3.3%	+0.0%pts	3.3%	3.1%	+0.2%pts	

1 Net return on investment: Annualised income from assets under own management dividend by average assets under own management

2 Net ordinary return on investment: Annualised ordinary investment income net of investment expenses divided by average assets under own management

3 Changes in equity

Shareholders' equity



Comments

- Shareholders' equity rose to EUR 9,617, which is EUR 904m, or 10%, above the level of Dec 2018 and EUR 55m, or 0.6% above 31 March 2019
- Strong increase in OCI continues to be caused mainly by positive effect of decreasing interest rates on bond values

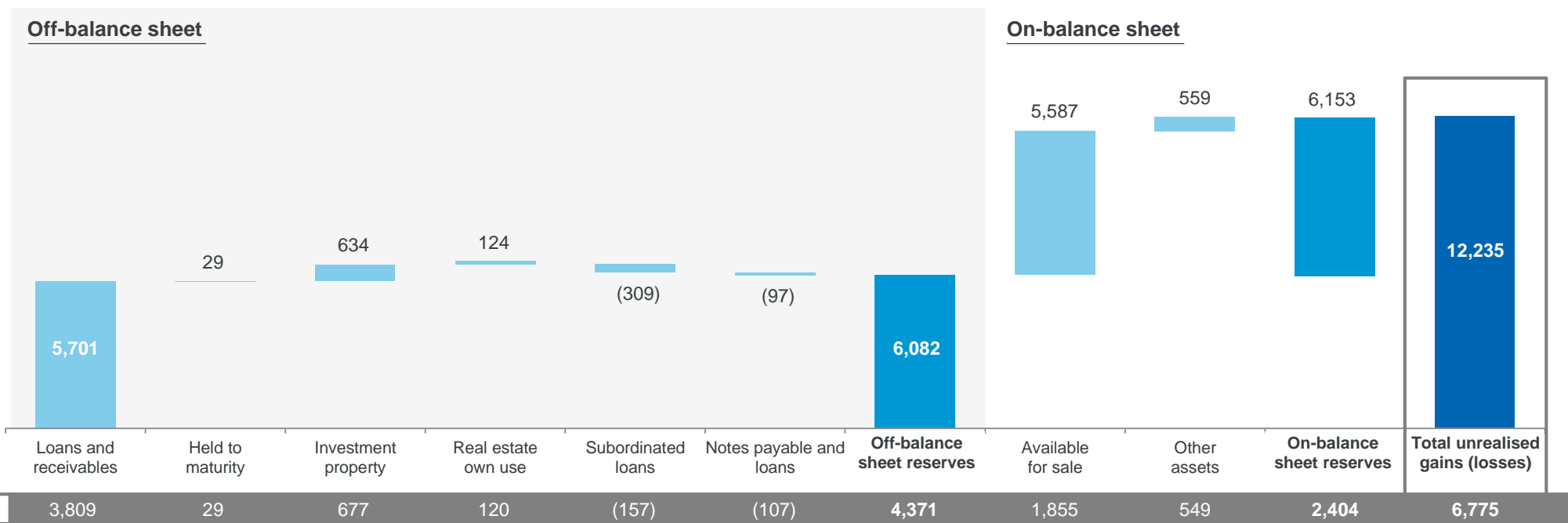
Book value per share

in EUR	31 Dec 2018	30 June 2019	Change	
			Abs.	%
Book value per share	34.47	38.04	3.57	+10.4
Excl. goodwill	30.28	33.82	3.54	+11.7

▶ Shareholders' equity materially up, primarily reflecting increased bond values

3 Unrealised gains of EUR 12.2bn

Unrealised gains and losses (off- and on-balance sheet) as of 30 June 2019 (EURm)



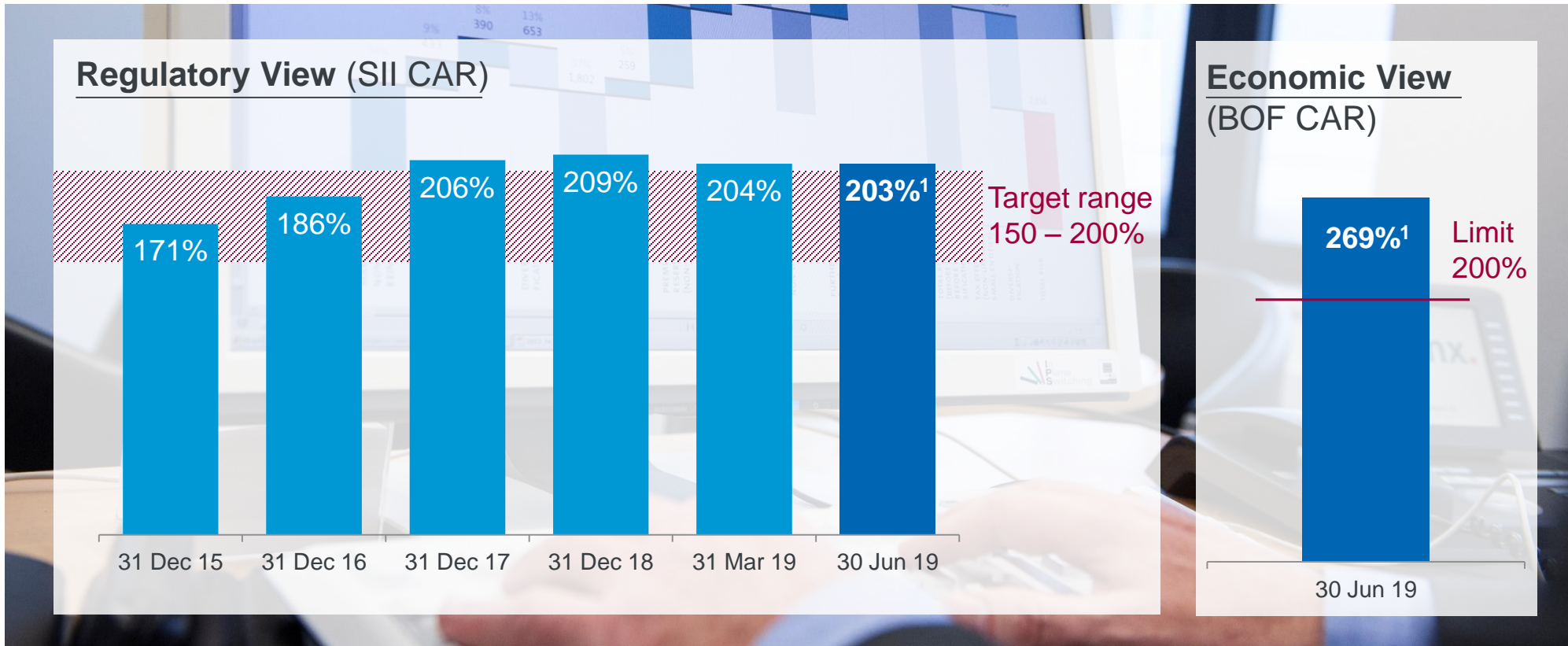
Δ market value vs. book value

Note: Shareholder contribution estimated based on historical profit sharing pattern

▶ **Off-balance sheet reserves of ~ EUR 6.1bn – EUR 515m (EUR 2.04 per share) attributable to shareholders (net of policyholders, taxes & minorities)**

3 Solvency II capitalisation remains at very solid level

Development of Solvency II capitalisation (excl. transitional)



¹ Preliminary figures

Note: Solvency II ratio relates to HDI Group as the regulated entity. The chart does not contain the effect of transitional measures. Solvency II ratio including transitional measures for 30 Jun 2019: 240% (31 Mar 2019: 241%, 31 Dec 2018: 252%).

Agenda

1

Group Highlights

2

Segments

3

Investments / Capital

4

Outlook

5

Appendix

Mid-term Target Matrix

Additional Information

Risk Management

4 Outlook 2019 for Talanx Group

Gross written premium growth	▶	~4%
Net return on investment	▶	more than 2.7%
Group net income	▶	more than EUR 900m
Return on equity	▶	more than 9.5%
Dividend payout	▶	35-45% DPS at least stable y/y

Note: The Outlook 2019 is based on a large loss budget of EUR 315m (2018: EUR 300m) in Primary Insurance, of which EUR 278m in Industrial Lines. The large loss budget in Reinsurance stands at EUR 875m (2018: EUR 825m). All targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets and no material currency fluctuations

Agenda

1

Group Highlights

2

Segments

3

Investments / Capital

4

Outlook

5

Appendix

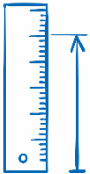


Mid-term Target Matrix

Additional Information

Risk Management

5

Mid-term target matrix

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

Note: Targets are relevant as of FY 2019. EPS CAGR until 2022 (base level: original Group net income Outlook of ~EUR 850m for 2018). The risk-free rate is defined as the 5-year rolling average of the 10-year German Bund yield. Targets are subject to large losses staying within their respective annual large-loss budgets as well as no major turmoil on currency and/or capital markets

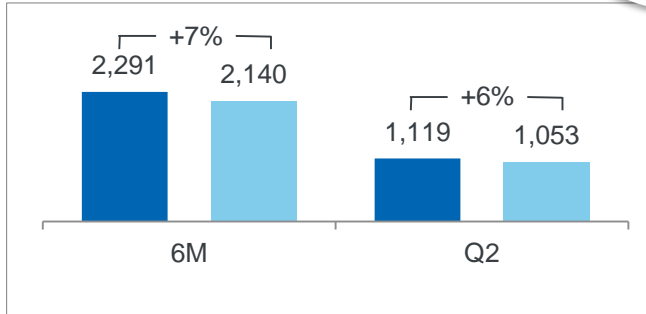
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Additional Information – Retail International Europe: Key financials

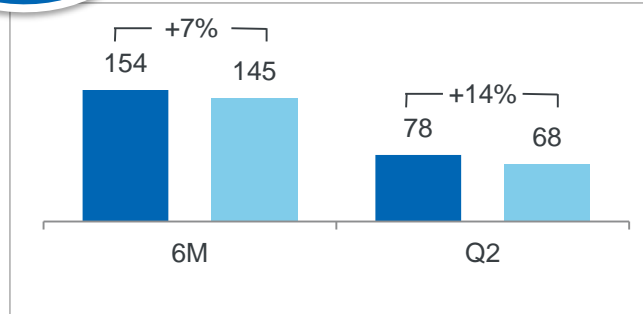
EURm, IFRS ■ 2019 ■ 2018

6M 2019
(currency adjusted)
GWP: +9.2%

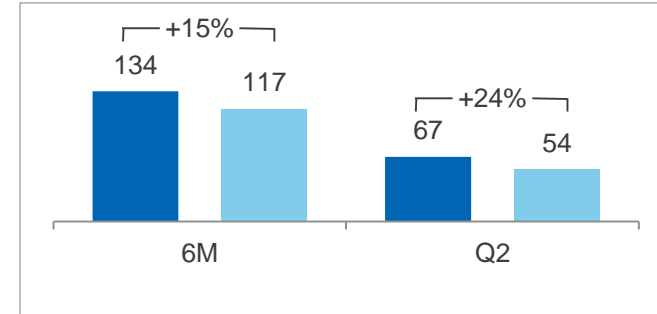
Gross written premiums



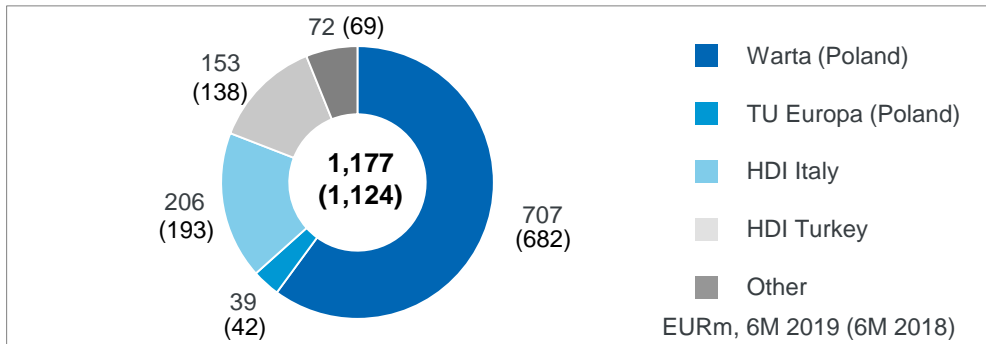
Investment income



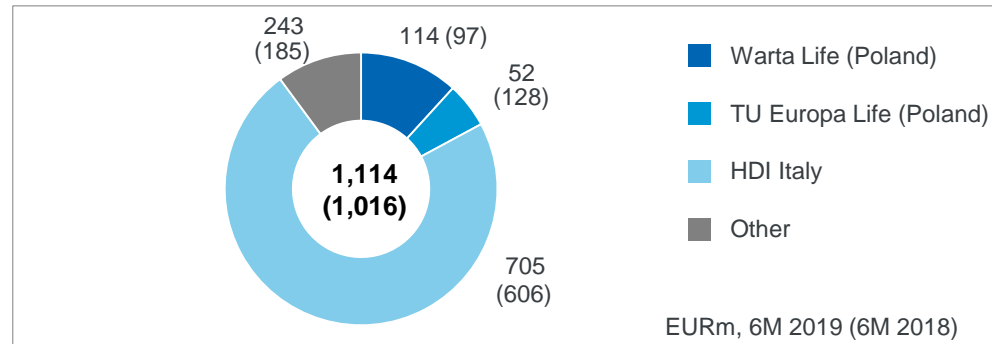
Operating result (EBIT)



GWP split by carriers (P/C)



GWP split by carriers (Life)



▶ Strong EBIT increase of 15% – driven by excellent P/C results at Warta

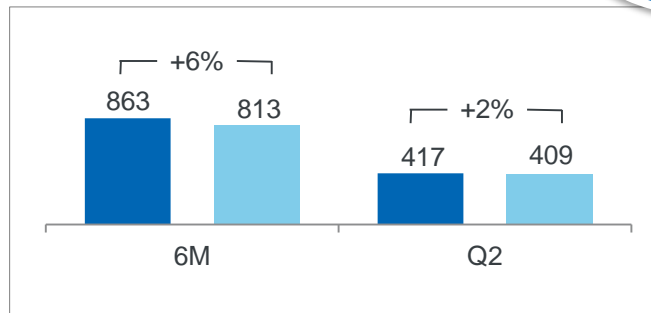
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Additional Information – Retail International LatAm: Key financials

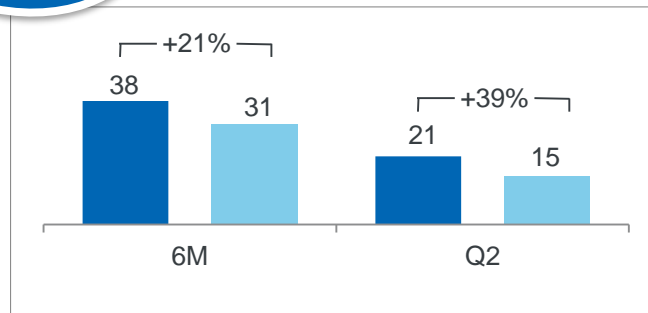
EURm, IFRS ■ 2019 ■ 2018

6M 2019
(currency adjusted)
GWP: +10.4%

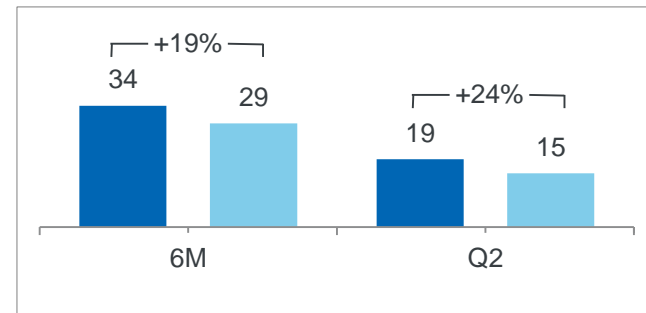
Gross written premiums



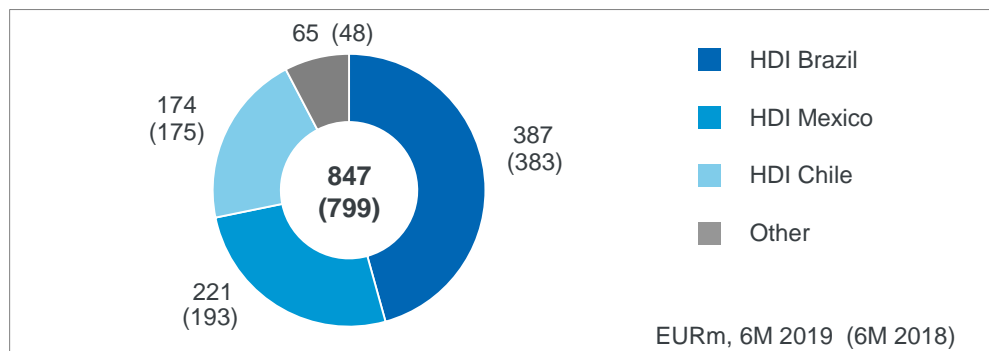
Investment income



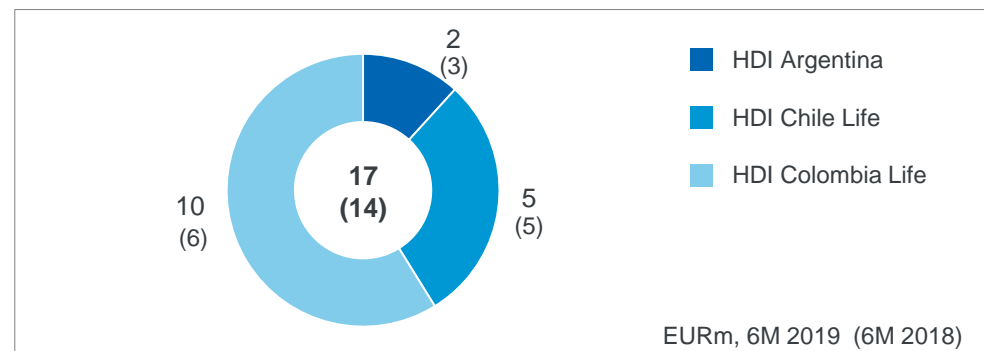
Operating result (EBIT)



GWP split by carriers (P/C)



GWP split by carriers (Life)



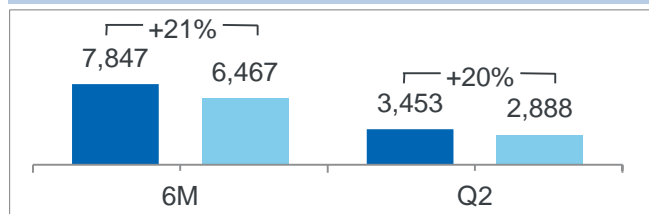
▶ **EBIT improvement supported by further improved investment results in Brazil and in Mexico**

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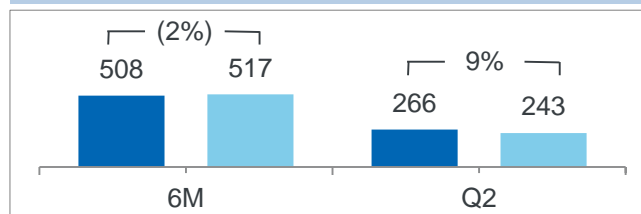
Additional Information – Segment P/C Reinsurance

EURm, IFRS ■ 2019 ■ 2018

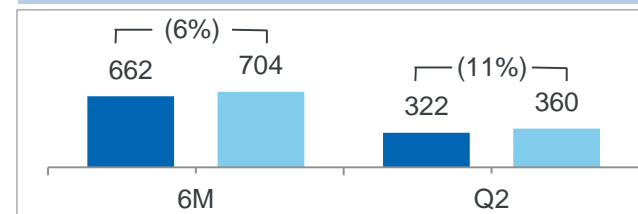
Gross written premiums (GWP)



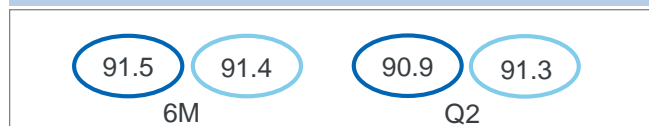
Investment income



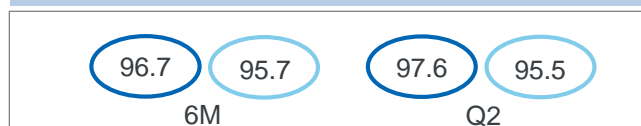
Operating result (EBIT)



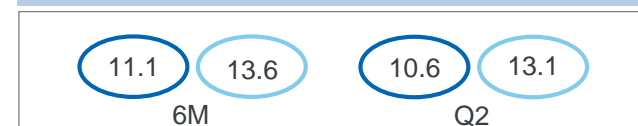
Retention rate in %



Combined ratio in %



EBIT margin in %



- 6M 2019 GWP up by 21.3% (currency-adjusted: +18.4%), growth from structured reinsurance as well as traditional reinsurance
- Net premiums earned in same period grew by 15.2% (currency-adjusted: +13.0%)

- Major losses of EUR 141m in 6M 2019 (2.4% of net premiums earned vs. 1.8% in 6M 2018) well below pro-rata budget of EUR 370m
- Large loss budget pro-rata reserved as usual
- Positive run-off result offset by negative prior-year development, mainly from 2018 typhoon Jebi (EUR 106m)
- Slightly lower net investment income in 6M 2019; 9.6% increase in ordinary investment income vs. 6M 2018 offset by negative swing in extraordinary investment result

- EBIT margin of 11.1% in 6M 2019 above the divisional target of 10%

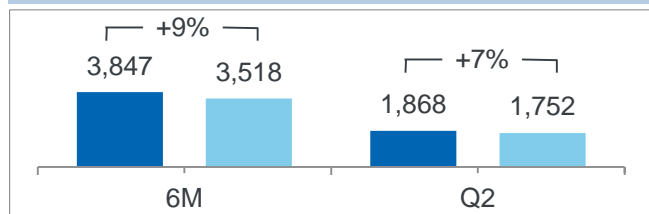
Note: EBIT margin reflects a Talanx Group view

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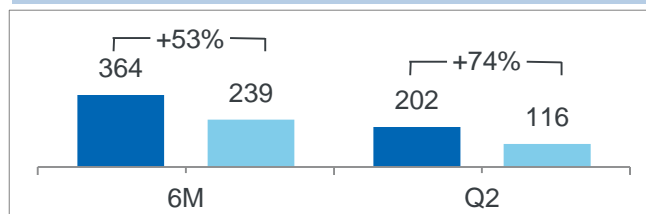
Additional Information – Segment Life/Health Reinsurance

EURm, IFRS ■ 2019 ■ 2018

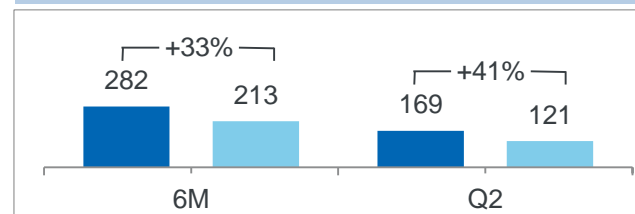
Gross written premiums (GWP)



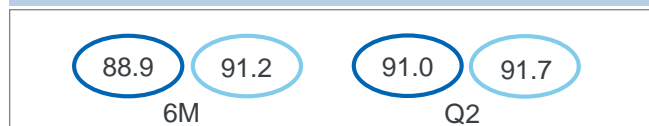
Investment income



Operating result (EBIT)



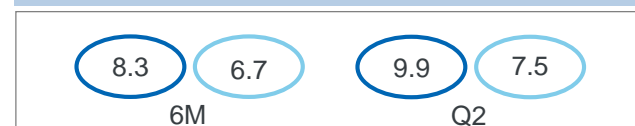
Retention rate in %



Rol in %



EBIT margin in %



- 6M 2019 GWP up 9.3% y/y (currency-adjusted: +7.4%), mainly from Asia
- Net premiums earned in same period up 7.0% (currency-adjusted: +5.2%)

- Net underwriting result: U.S. mortality in line with expectation based on 2018 management actions, negative impact from Australian disability and UK mortality businesses
- Net investment income supported by favourable ordinary investment income and extraordinary gain from restructuring of shareholding in Viridium
- Significant increase in other income and expenses (+EUR 45 m in 6M 2019) mainly results from strong contribution from deposit accounted treaties in U.S. Financial Solutions of EUR 133m (6M 2018: EUR 93m)

- EBIT growth of 32.6% outperforms divisional 5% EBIT growth target

Note: EBIT margin reflects a Talanx Group view

5

Additional Information – Segments

	Industrial Lines			Retail Germany P/C			Retail Germany Life		
EURm, IFRS	6M 2019	6M 2018	Change	6M 2019	6M 2018	Change	6M 2019	6M 2018	Change
P&L									
Gross written premiums	3,483	2,898	+20%	1,042	1,022	+2%	2,285	2,240	+2%
Net premiums earned	1,367	1,235	+11%	726	701	+4%	1,696	1,653	+3%
Net underwriting result	(32)	(28)	(13%)	10	8	+31%	(664)	(858)	+23%
Net investment income	133	124	+8%	55	44	+23%	753	922	(18%)
Operating result (EBIT)	69	78	(12%)	54	40	+37%	71	48	+47%
Net income after minorities	42	53	(22%)	-	-	-	-	-	-
Key ratios									
Combined ratio non-life insurance and reinsurance	102.3%	102.3%	+0.0%pts	98.7%	99.0%	(0.3%)pts	-	-	-
Expense ratio	21.4%	21.0%	+0.4%pts	37.0%	35.8%	+1.2%pts	-	-	-
Loss ratio	80.9%	81.3%	(0.4%)pts	61.7%	63.1%	(1.4%)pts	-	-	-
Return on investment	3.0%	3.0%	+0.0%pts	2.7%	2.2%	+0.5%pts	3.1%	3.9%	(0.8%)pts

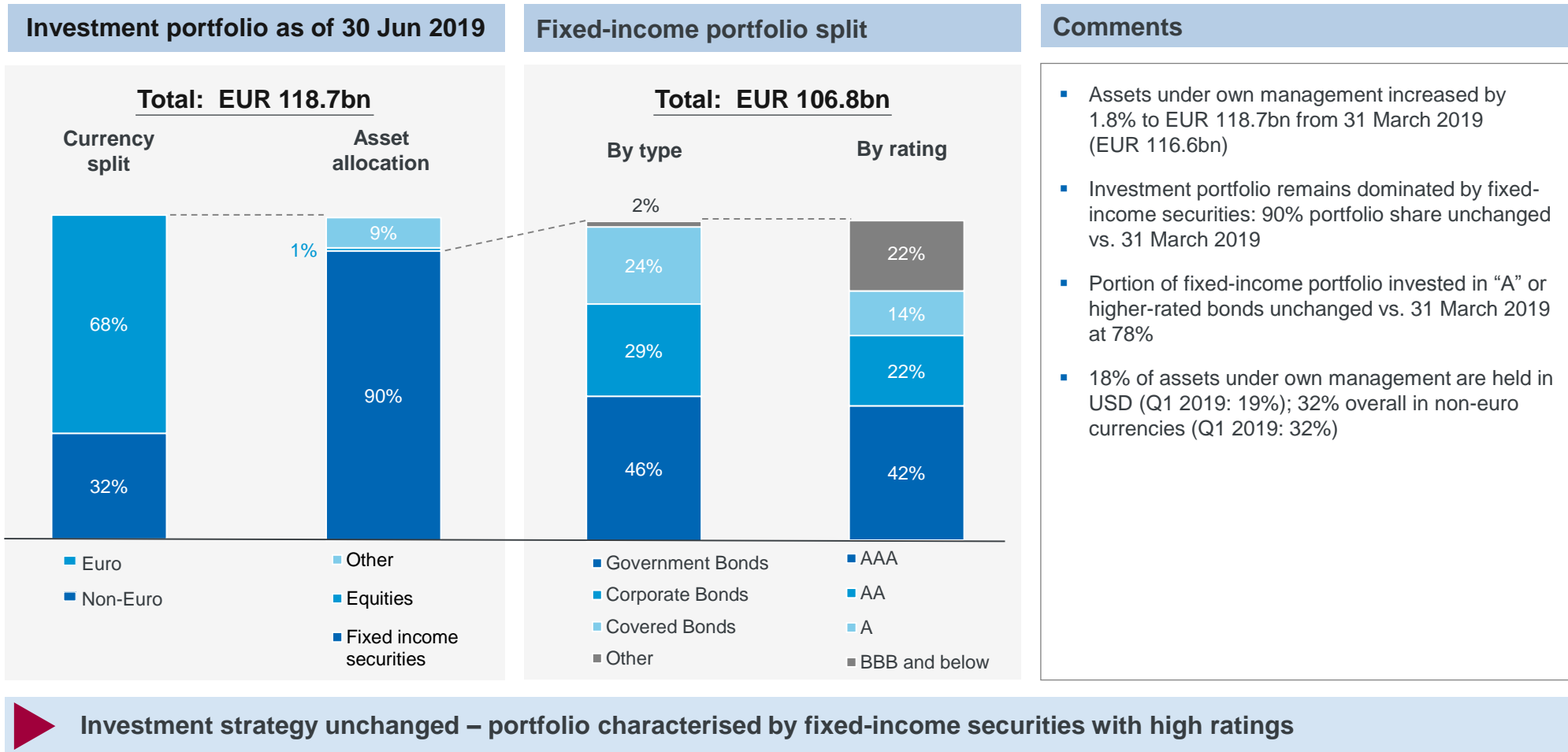
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Additional Information – Segments

	Retail International			P/C Reinsurance			Life/Health Reinsurance			Group		
EURm, IFRS	6M 2019	6M 2018	Change	6M 2019	6M 2018	Change	6M 2019	6M 2018	Change	6M 2019	6M 2018	Change
P&L												
Gross written premiums	3,154	2,963	+6%	7,847	6,467	+21%	3,847	3,518	+9%	20,864	18,760	+11%
Net premiums earned	2,753	2,513	+10%	5,964	5,175	+15%	3,392	3,171	+7%	15,917	14,435	+10%
Net underwriting result	24	33	(28%)	174	206	(16%)	(210)	(108)	(93%)	(708)	(748)	+5%
Net investment income	189	175	+9%	508	517	(2%)	364	239	+53%	1,986	2,007	(1%)
Operating result (EBIT)	146	138	+6%	662	704	(6%)	282	213	+33%	1,244	1,212	+3%
Net income after minorities	85	83	+3%	-	-	-	-	-	-	477	437	+9%
Key ratios												
Combined ratio non-life insurance and reinsurance	95.2%	94.6%	+0.6%pts	96.7%	95.7%	(1.0%)pts	-	-	-	97.5%	96.7%	+0.8%pts
Expense ratio	28.8%	28.3%	+0.5%pts	29.3%	31.3%	(2.0%)pts	-	-	-	28.7%	29.7%	(1.0%)pts
Loss ratio	66.2%	66.3%	(0.1%)pts	67.7%	64.7%	+3.0%pts	-	-	-	69.0%	67.2%	(1.8%)pts
Return on investment	3.4%	3.4%	0.0%pts	2.9%	3.2%	(0.3%)pts	5.9%	3.0%	+2.9%pts	3.3%	3.5%	(0.2%)pts

5

Additional Information – Breakdown of investment portfolio



Note: Percentages may not add up due to rounding

5

Additional Information – Details on selected fixed-income country exposure

Investments into issuers from countries with a rating below A- (in EURm), as of 30 June 2019

Country	Rating	Sovereign	Semi-Sovereign	Financial	Corporate	Covered	Other	Total
Italy	BBB	2,495	-	594	549	497	-	4,135
Brazil	BB-	308	-	34	307	-	4	653
Mexico	BBB+	62	2	173	286	-	-	523
Hungary	BBB	572	-	3	12	23	-	610
Russia	BBB-	274	23	24	176	-	-	497
South Africa	BB+	116	-	5	89	-	2	212
Portugal	BBB	38	-	14	44	6	-	103
Turkey	BB-	16	-	26	27	3	-	72
Other BBB+		78	-	58	93	-	-	229
Other BBB		178	27	154	120	-	-	478
Other <BBB		204	27	86	210	-	246	775
Total		4,342	79	1,171	1,913	529	253	8,287
in % of total investments under own management		3.7%	0.1%	1.0%	1.6%	0.4%	0.2%	7.0%
in % of total Group assets		2.5%	0.0%	0.7%	1.1%	0.3%	0.15%	4.8%

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