

2019

PERFORMANCE AND RESULTS

9M 2019 Results
11 November 2019

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tal anx.
Insurance. Investments.

Very satisfactory 9M 2019 results

Gross written premiums grew 11.9% in 9M (10.6% currency-adjusted), 13.6% in Q3 y/y

EBIT increased 26.7% in 9M, with all divisions contributing

24.2% price increases achieved with “20/20/20” – Industrial Lines 2019 combined ratio outlook now at ~101%, down 8 percentage points from 109.1% in 2018

9M 2019 Group net income of EUR 742m (+52%) – Group RoE at 10.4%, stable vs 6M 2019 and significantly up from 9M 2018 (7.5%)

FY 2019 Group net income outlook unchanged at “more than EUR 900m”

FY 2020 Group net income outlook: between “more than EUR 900m” and EUR 950m, despite EUR ~25m headwinds from lower interest rates

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 - Mid-term Target Matrix
 - Additional Information
 - Risk Management

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9M 2019 results – Profitable growth continues

EURm	9M 2019	9M 2018	Delta	Comments
Gross written premiums (GWP)	30,325	27,091	+12%	Strong growth momentum continues, driven by Reinsurance and Industrial Lines. GWP +10.6% curr.-adj.
Net premiums earned	24,186	21,841	+11%	
Net underwriting result	(1,282)	(1,423)	+10%	
thereof P/C	196	162	+21%	Increase of extraordinary investment result, driven by ZZR build-up, positive one-off Viridium impact and real-estate disposals
thereof Life	(1,478)	(1,585)	+7%	
Net investment income	3,156	2,900	+9%	EBIT increase driven by improvement in Industrial Lines and Reinsurance (including Viridium)
Other income / expenses	(11)	(6)	(80%)	
Operating result (EBIT)	1,864	1,471	+27%	EBIT improvement and lower tax ratio
Financing interests	(142)	(128)	(11%)	
Taxes on income	(408)	(401)	(2%)	
Net income before minorities	1,314	942	+40%	RoE after significant increase at 6M 2019 level, well above the (800 bps + risk-free rate) minimum target
Non-controlling interests	(572)	(454)	(26%)	
Net income after minorities	742	488	+52%	
Combined ratio	98.5%	98.6%	(0.1%pts)	
Tax ratio	23.7%	29.8%	(6.1%pts)	
Return on equity	10.4%	7.5%	+2.9%pts	
Return on investment	3.4%	3.3%	+0.1%pts	

Note: The minimum RoE target (of 800 bps + 5-year average of 10-year Bund yields) is expected to be 8.2% for FY 2019

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Q3 2019 results – Strong comeback after weak Q3 2018

EURm	Q3 2019	Q3 2018	Delta	Comments
Gross written premiums (GWP)	9,461	8,331	+14%	▶ Ongoing growth momentum, particularly in Reinsurance and Industrial Lines
Net premiums earned	8,269	7,406	+12%	
Net underwriting result	(574)	(675)	+15%	▶ Improvement in Fire and lower large losses
thereof P/C	(30)	(110)	+73%	
thereof Life	(544)	(565)	+4%	
Net investment income	1,170	893	+31%	▶ Significantly higher ZZR-induced realisation of capital gains, plus other extraordinary gains
Other income / expenses	23	41	(44%)	
Operating result (EBIT)	619	259	+139%	
Financing interests	(48)	(44)	(9%)	
Taxes on income	(115)	(44)	(162%)	
Net income before minorities	456	171	+166%	
Non-controlling interests	(191)	(120)	(60%)	▶ Significant improvement of bottom-line result after claims-fraught Q3 2018
Net income after minorities	265	51	+412%	
Combined ratio	100.4%	102.1%	(1.7%pts)	▶ Reduced tax ratio in both quarters due to tax-reduced capital gains in Reinsurance
Tax ratio	20.1%	20.4%	(0.3%pts)	
Return on equity	10.7%	2.4%	+8.3%pts	▶ RoI inflated by ZZR-driven realisation of capital gains and other gains
Return on investment	3.7%	3.0%	+0.7%pts	

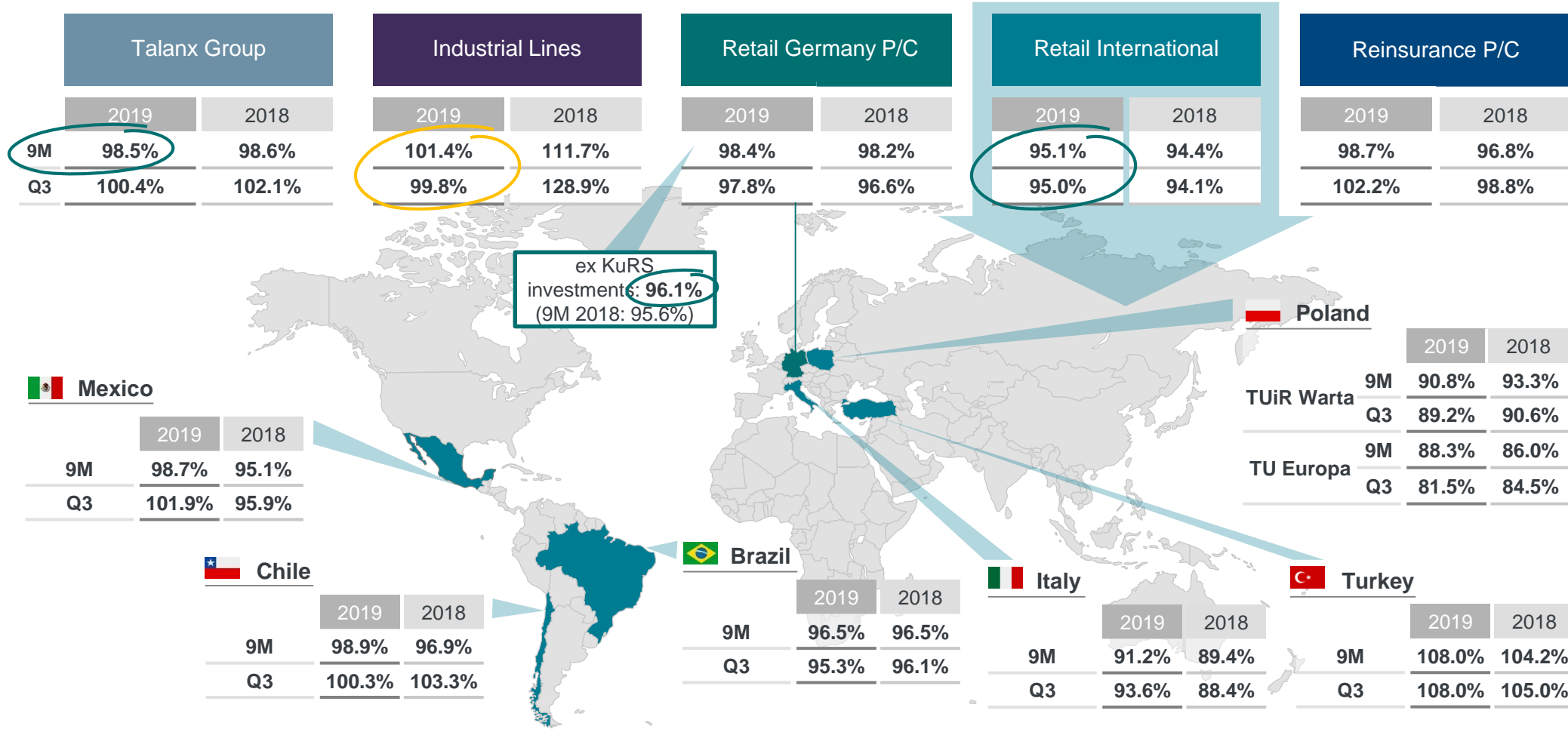
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Large loss budget underutilised, primary business in line

Net losses Talanx Group in EURm, 9M 2019 (9M 2018)	Industrial Lines	Retail Germany	Retail International	∑ Primary Insurance	+	Reinsurance	=	Talanx Group
Hurricane <i>Dorian</i> , Bahamas & USA [Sep.]	19.4			19.4		186.6		206.0
Typhoon <i>Faxai</i> , Japan [Sep.]	0.1			0.1		75.9		76.1
Hailstorm <i>Jörn</i> , Central Europe [Jun.]	13.1	16.8		29.9		10.7		40.6
Flood <i>Santo Andre</i> , Brazil [Mar.]	32.9		1.0	33.9				33.9
Flood <i>Queensland</i> , Australia [Jan.-Feb.]	4.6			4.6		28.3		32.9
Flood "Middle West", USA [Mar.]	13.4			13.4		14.1		27.5
Storm <i>Eberhard</i> , Central Europe [Mar.]	5.5	7.2	2.7	15.5		11.3		26.8
Earthquake <i>Chile</i> , South America [Jan.]			0.4	0.4		10.6		11.0
Sum NatCat	89.0 (61.0)	24.1 (11.6)	4.1 (0.1)	117.2 (77.2)		337.5 (287.6)		454.7 (364.8)
Fire/Property	74.4		4.6	79.9		60.4		140.3
Credit						112.4		112.4
Marine	24.3			24.3		7.8		32.0
Aviation	1.9			1.9		27.8		29.7
Casualty	12.9			12.9				12.9
Sum other large losses	113.4 (205.9)	0.0 (0.0)	4.6 (0.0)	119.0 (205.9)		208.4 (77.0)		327.4 (282.9)
Total large losses	202.5 (266.8)	24.1 (11.6)	8.7 (0.1)	236.2 (283.0)		545.9 (364.6)		782.0 (647.6)
Pro-rata large loss budget	208.2	18.0	6.0	236.0		664.3		900.5
FY large loss budget	277.6	24.0	8.0	314.6		875.0		1,189.6
Impact on CR: materialised large losses	9.4%pts (14.0%pts)	2.2%pts (1.1%pts)	0.3%pts (0.0%pts)	4.0%pts (5.2%pts)		5.9%pts (4.5%pts)		5.2%pts (4.8%pts)
Impact on CR: large loss budget	9.7%pts (10.2%pts)	1.6%pts (1.7%pts)	0.2%pts (0.2%pts)	4.0%pts (4.2%pts)		7.2%pts (7.9%pts)		5.9%pts (6.4%pts)

Note: Definition "large loss": in excess of EUR 10m gross in either Primary Insurance or Reinsurance. EUR 0.9m large losses (net) in Corporate Operations in 9M 2019 Primary Insurance

1 Combined Ratios

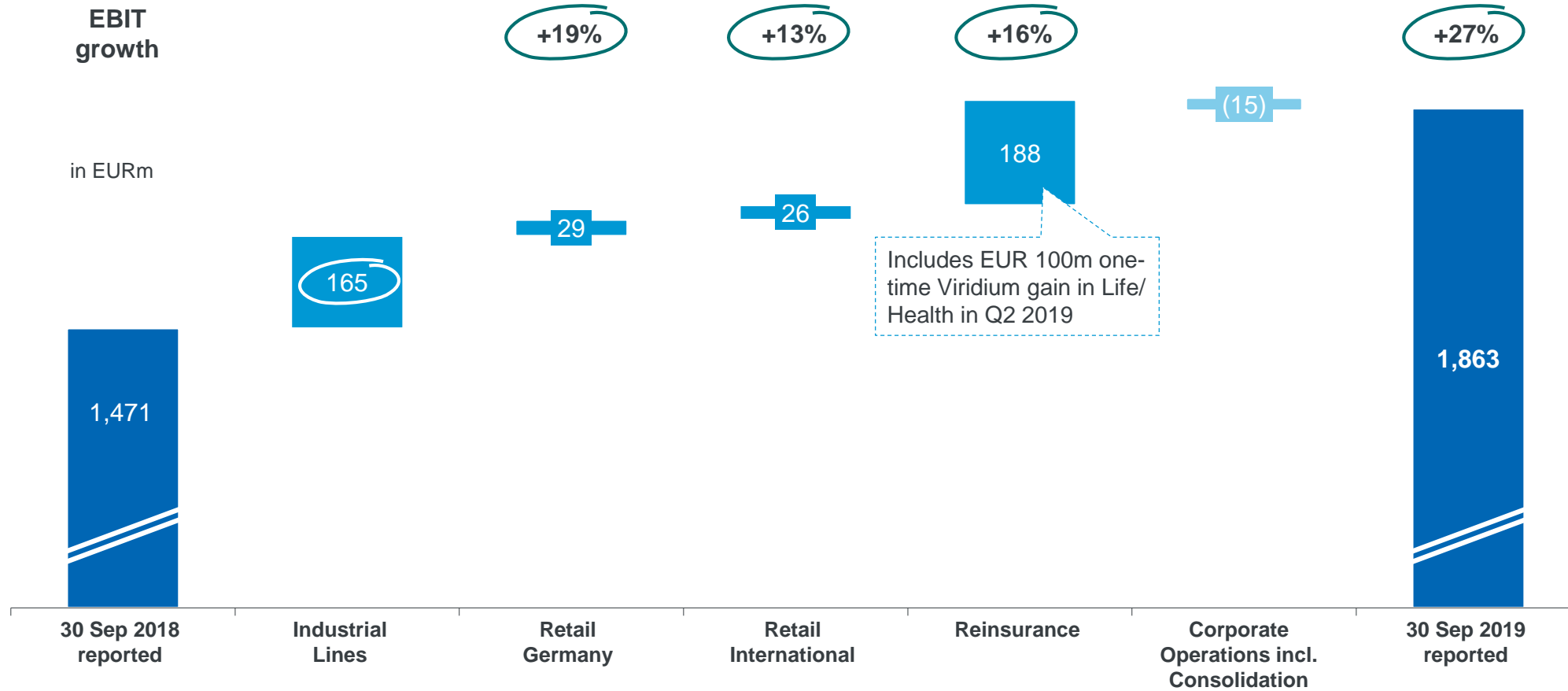


Note: Visual highlights only core markets plus Italy for Retail International. Turkey 9M 2019 EBIT of EUR 5m (+83.6% y/y, incl. Ergo). Due to industrial action, the 9M and Q3 2018 reporting for HDI Chile was carried out on the basis of the figures for the first eight months of 2018 only

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9M 2019 – All divisions drive EBIT improvement

YoY EBIT development by divisions



Note: Numbers may not add up due to rounding

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Mid-term Target Matrix

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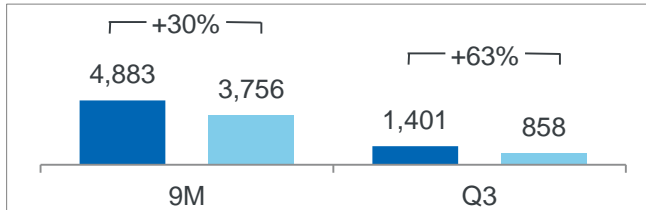
Risk Management

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Industrial Lines: Positive impact from improvement in Fire

EURm, IFRS ■ 2019 ■ 2018

Gross written premiums (GWP)

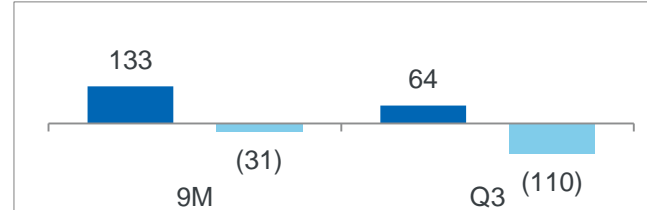


Retention rate in %



- 9M 2019 GWP up 30.0% (currency-adj.: +28.1%); adjusted for Specialty transfer effect (EUR 702m in 9M 2019 and EUR 245m in Q3 2019, both before growth), GWP was up 11.3% in 9M 2019, and up 34.7% in Q3 2019 y/y. Strong increase in Q3 took place in new Specialty unit, as well as in the U.S. and in Brazil
- Increase in NPE for 9M 2019 significantly smaller (+12.5%) given the initially high cession of Specialty business to Hannover Re; also some dampening effect from reinstatement premiums
- As a consequence, divisional self-retention of 50.8% down vs. 9M 2018 (57.8%)

Operating result (EBIT)

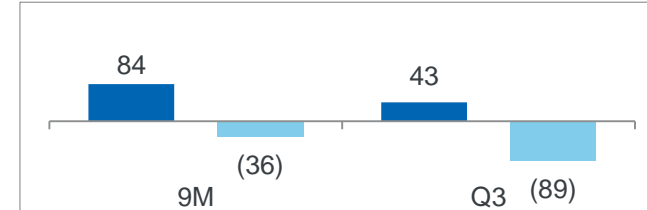


Combined ratio in %

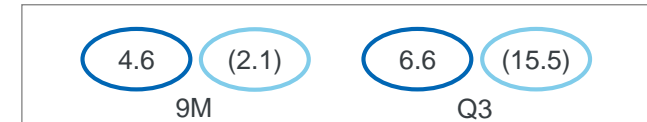


- 9M 2019 large losses of EUR 202m, slightly below budget (EUR 208m) and below prior-year level of EUR 267m. Total loss ratio down to 81% from 91%
- Positive run-off result in 9M 2019 of EUR 40m, thereof EUR 7m in Q3 2019 (9M 2018: EUR 18m; Q3 2018: EUR -25m)
- Combined ratio of Fire business was 108% in 9M 2019, materially down from 144% in 9M 2018. As of 1 October 2019, "20/20/20" has written price increases of 24.2% since launch in 2018
- Divisional combined ratio outlook for 2019 now at ~101%; reserve build-up in case of better underlying performance. 2020 outlook: below 100%

Net income



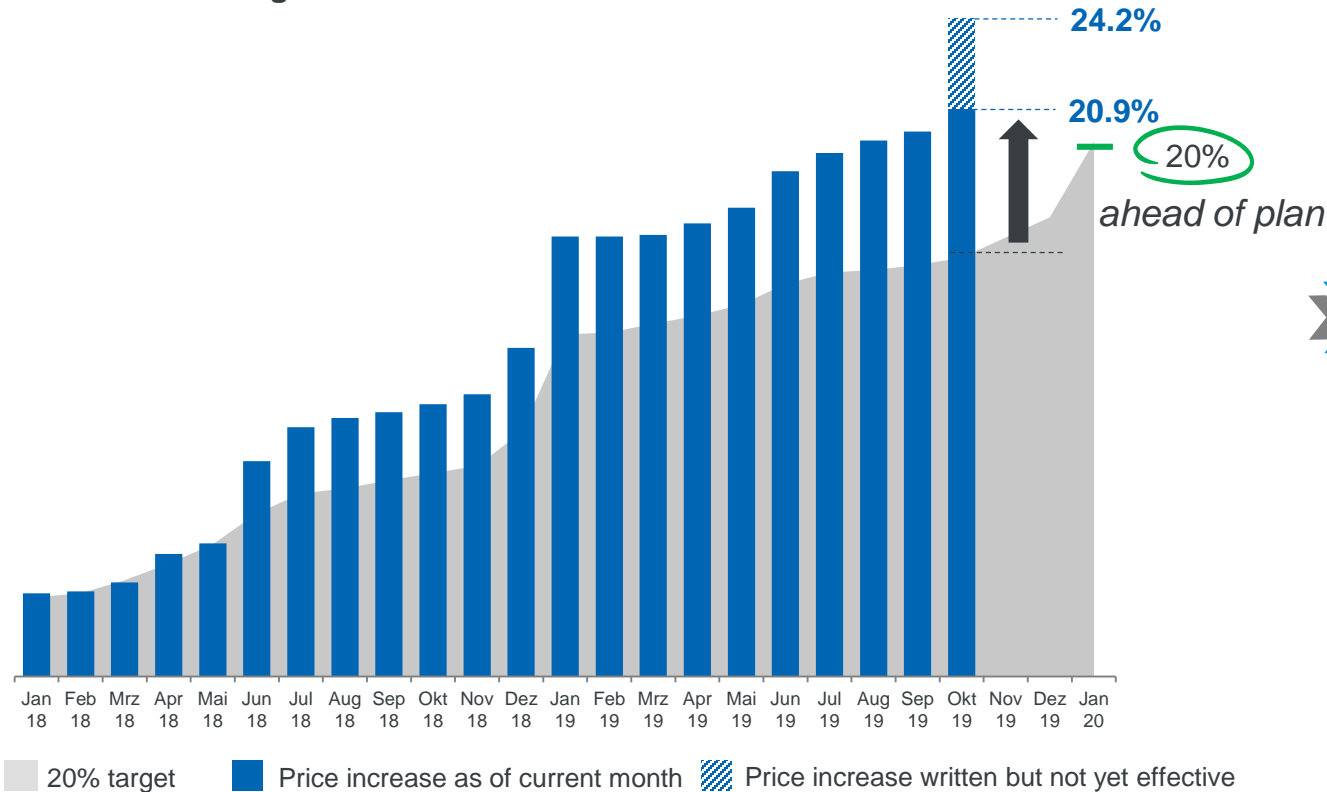
RoE in %



- 9M 2019 return on investment of 3.3% benefited from EUR 10m extraordinary investment income (9M 2018: EUR -12m) including gains from selling a mature Private Equity sub-portfolio in Q3 2019
- From Jan 2019, other result includes recognition of administrative costs for Specialty business formerly booked in Reinsurance (EUR 15m in 9M 2019).
- 9M 2018 other result included EUR 37m one-off gain from sale of office buildings in Q3
- Return on Equity has significantly improved to 4.6% in 9M 2019 and 6.6% in Q3 2019

“20/20/20” initiative update

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



Original target of 20% increase more than achieved

9M 2019 net premiums in Fire overall increased 9% from 9M 2018

Combined ratio in Fire at 108% in 9M 2019, down from 144% in 9M 2018

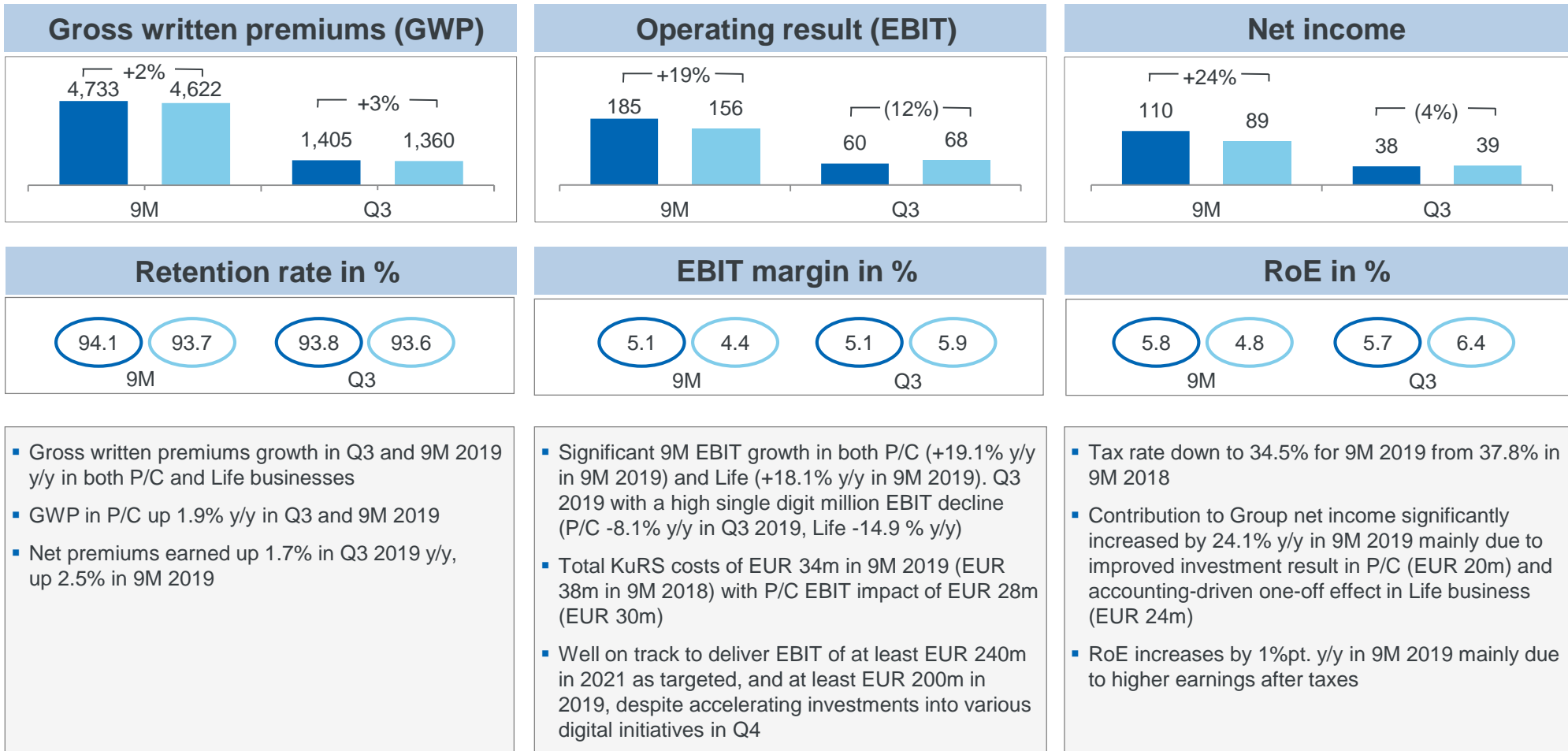
Note: Premium base defined as total premiums on 28 Feb 2019 minus dropped business. Price increase data include both premium increases and premium-equivalent measures.

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 to achieve EUR 200m EBIT in 2019

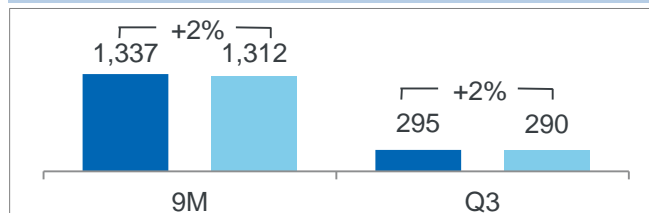
EURm, IFRS ■ 2019 ■ 2018



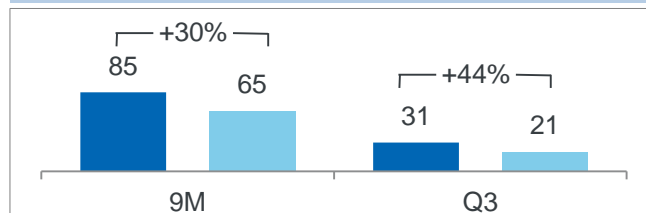
2 Retail Germany P/C: Further profitable growth

EURm, IFRS ■ 2019 ■ 2018

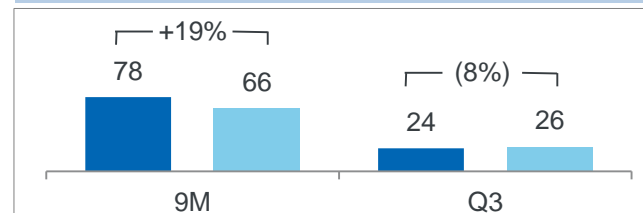
Gross written premiums (GWP)



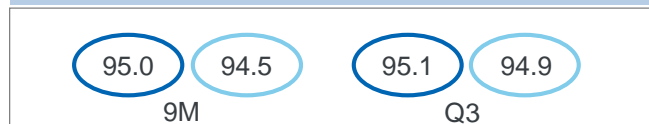
Net investment income



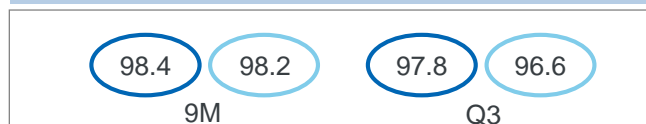
Operating result (EBIT)



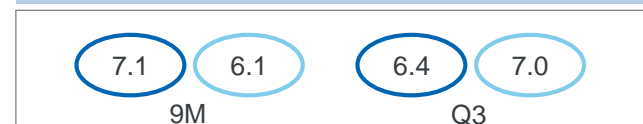
Retention rate in %



Combined ratio in %



EBIT margin in %



- 9M and Q3 2019 GWP increase driven by business with SMEs (Fire, MultiRisk) and self-employed professionals
- Motor business 9M 2019 GWP -3.8% (EUR -22.2m). In Q3 2019 premiums stable; focus remains on profitability
- Profitable portfolio shift from motor to SME and lower KuRS costs overcompensate lower run-off result as well as higher NatCat/large losses

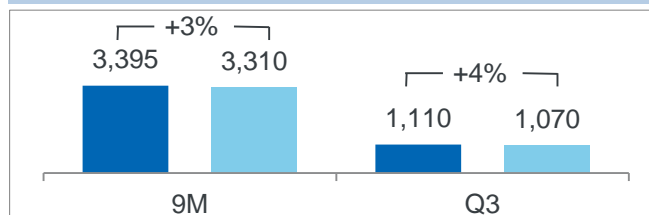
- Combined ratio impacted by KuRS costs of EUR 26m in 9M 2019 (EUR 27m in 9M 2018). Adjusting for these, combined ratio increased to 96.1% (9M 2018: 95.6%)
- Portfolio mix towards SME positively affects loss ratio and ultimately is used for reserve strengthening
- 9M 2019 net return on investment significantly increased to 2.8% (from 2.2% in 9M 2018) due to higher ordinary investment, increased disposal gains as well as higher unrealised gains

- EBIT impact of KuRS costs with EUR 28m in 9M 2019 largely unchanged vs. 9M 2018 (EUR 30m)

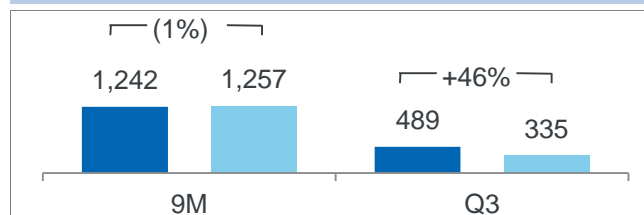
2 Retail Germany Life: Top and bottom line growth continues

EURm, IFRS ■ 2019 ■ 2018

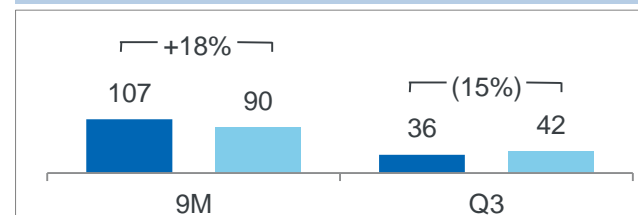
Gross written premiums (GWP)



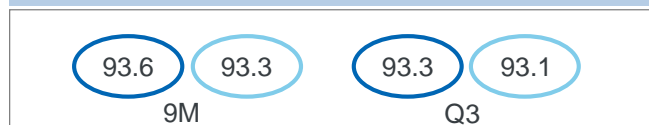
Net investment income



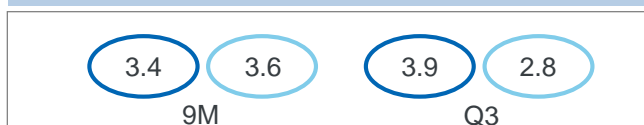
Operating result (EBIT)



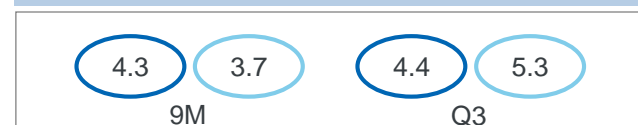
Retention rate in %



Return on investment in %



EBIT margin in %



- Increase in single premium business in Q3 and 9M 2019 across carriers and in biometric risk protection business more than offset decrease in regular premiums
- Increase in net premiums earned in 9M 2019 by 2.4% y/y, in Q3 2019 by 2.0% y/y
- First business agreement in capital-efficient new pension product ('Nahles-Rente') in cooperation with Zurich

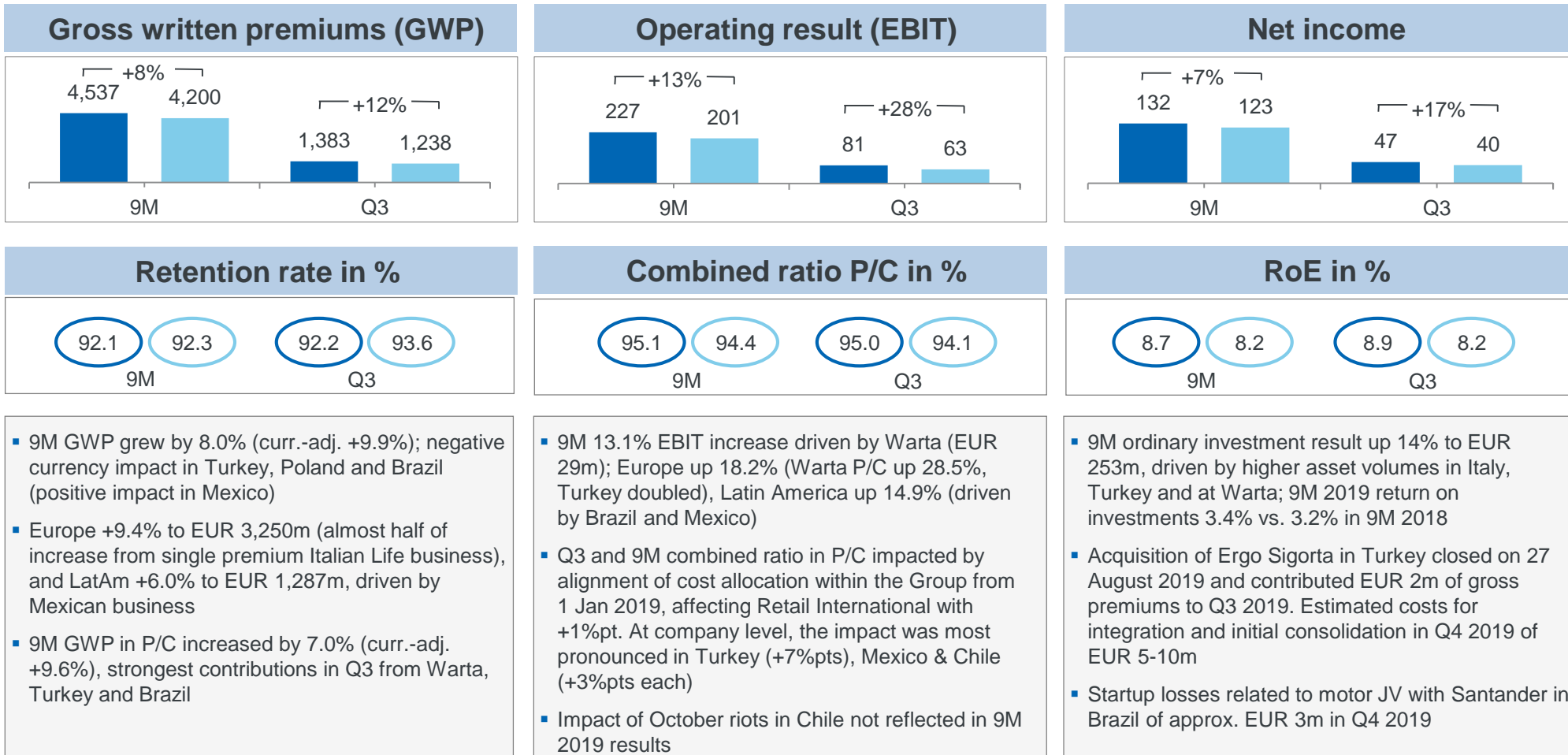
- Net investment income down in 9M (EUR 1,242m in 9M 2019 vs. EUR 1,257m in 9M 2018), but significantly up in Q3 2019 (+46% y/y) driven by higher realisations to fund *Zinszusatzreserve* (ZZR)
- Allocation of EUR 150m under HGB in Q3 2019 was higher than in Q2 2019 (EUR 113m) due to further decrease in interest rates; total ZZR as of 30 Sep 2019 at EUR 3.7bn; FY 2019 ZZR formation expected above 2018 level (EUR 301m)
- Ordinary investment income in 9M 2019 nearly stable at EUR 1,036m (EUR 1,082m in 9M 2018)

- As previously, change in ZZR allocation was EBIT neutral
- EBIT increase reflects two accounting-driven one-offs of net positive EUR 18m in Life business in 9M 2019

2

Retail International: Profitable growth continues

EURm, IFRS ■ 2019 ■ 2018

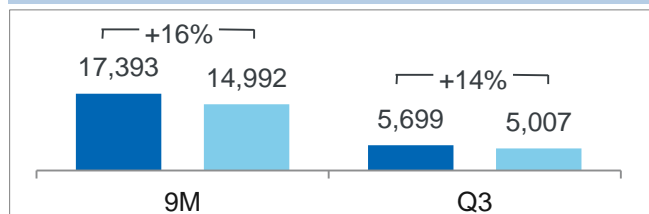


Note: Due to industrial action, the 9M and Q3 2018 reporting for HDI Chile has been carried out on the basis of the figures for the first eight months of 2018 only

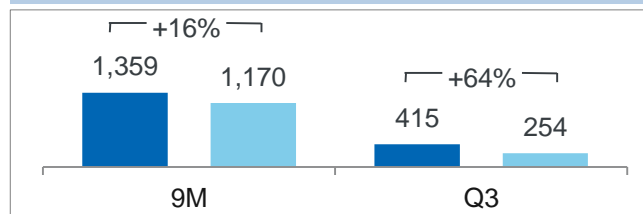
2 Reinsurance: RoE well above minimum target

EURm, IFRS ■ 2019 ■ 2018

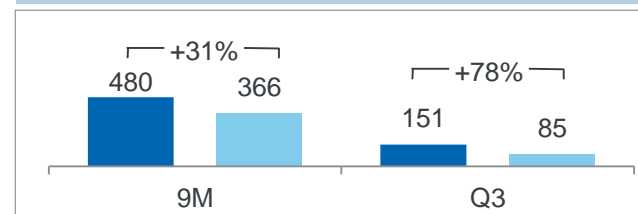
Gross written premiums (GWP)



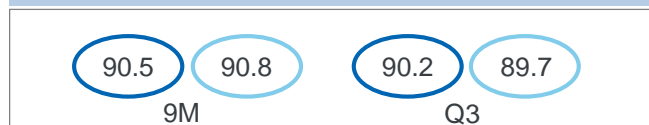
Operating result (EBIT)



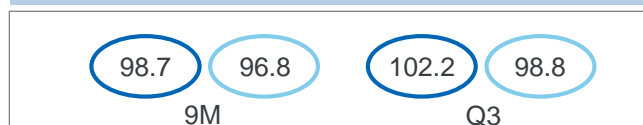
Net income (excl. minorities)



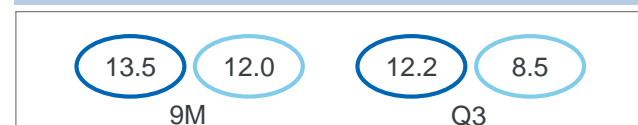
Retention rate in %



Combined ratio P/C in %



RoE (excl. minorities) in %



- GWP up by 16.0% (currency-adj. +13.3%) in 9M 2019, growth driven by EUR 1,996m, or 21%, increase in P/C
- Net premiums earned are up by +12.7% y/y in 9M 2019 on a reported basis and by +10.3% on a currency-adjusted basis
- Retention ratio slightly down to 90.5% in 9M 2019

- 9M 2019 EBIT up by 16.1% y/y, supported by positive one-off effect in Life / Health business in Q2 2019 (Viridium, EUR 100m); adjusted for Viridium, 9M 2019 EBIT increased by 8%
- Disposal gain of EUR ~50m of share in Svedea AB. Acquirer is HDI Global Specialty, thus no positive net effect on Talanx P&L due to consolidation
- Ordinary investment income increased by 4.8%, total investment income by 14.4% (including Viridium)
- Assets under own management up by 11.1% vs. Dec 2018 to EUR 47bn

- 9M 2019 net income attributable to Talanx shareholders up by +31.2% y/y
- Return on equity for 9M 2019 at 13.5% (+1.5%pt vs 9M 2018), well above minimum target

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Net investment income

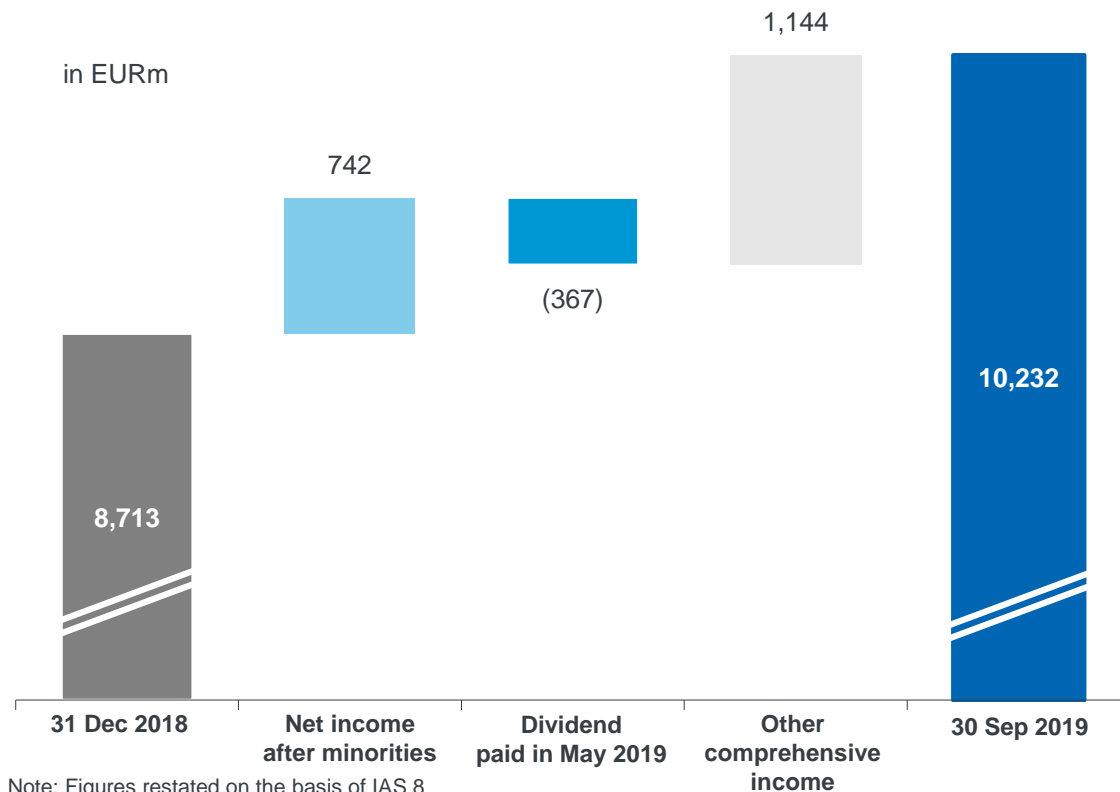
EUR m, IFRS	9M 2019	9M 2018	Change	Q3 2019	Q3 2018	Change	Comments
Ordinary investment income	2,618	2,566	+2%	841	880	(4%)	Decrease in ordinary investment income in Q3 2019 despite increase in assets under own management reflects interest rate pressure, which reduced current interest income
thereof current interest income	2,050	2,026	+1%	651	697	(7%)	
thereof income from real estate	247	206	+20%	90	74	+22%	
Extraordinary investment income	595	366	+62%	349	32	+990%	Strong increase in realised net investment gain in Q3 2019 driven by EUR 185m ZZR-induced capital gains 9M 2019 includes EUR 100m one-time Viridium gain in L/H Reinsurance in Q2 2019
Realised net gains / losses on investments	585	485	+21%	317	65	+388%	
Write-ups / write-downs on investments	(117)	(124)	+5%	(22)	(45)	+52%	
Unrealised net gains / losses on investments	127	5	n.m.	53	12	+360%	Strong increase in unrealised net gains includes positive mark-to-market fluctuations in financial instruments at L/H Reinsurance related to technical derivatives
Other investment expenses	(195)	(184)	(6%)	(69)	(64)	(8%)	
Income from assets under own management	3,018	2,748	+10%	1,120	847	+32%	
Interest income on funds withheld and contract deposits	136	153	(11%)	49	47	+5%	
Income from investment contracts	2	(1)	n.m.	1	(1)	n.m.	
Total: Net investment income	3,156	2,901	+9%	1,170	893	+31%	
Assets under own management	123,095	111,528	+10%	123,095	111,528	+10%	
Net return on investment¹	3.4%	3.3%	+0.1%pts	3.7%	3.0%	+0.7%pts	
Net ordinary return on investment ²	3.0%	3.1%	(0.1%pts)	2.8%	3.2%	(0.4%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 10,232, which is EUR 1,519m, or 17%, above the level of Dec 2018 and EUR 615m, or 6.4% above 30 June 2019
- Strong increase in OCI continues to be caused mainly by positive effect of decreasing interest rates on bond values and currency effects

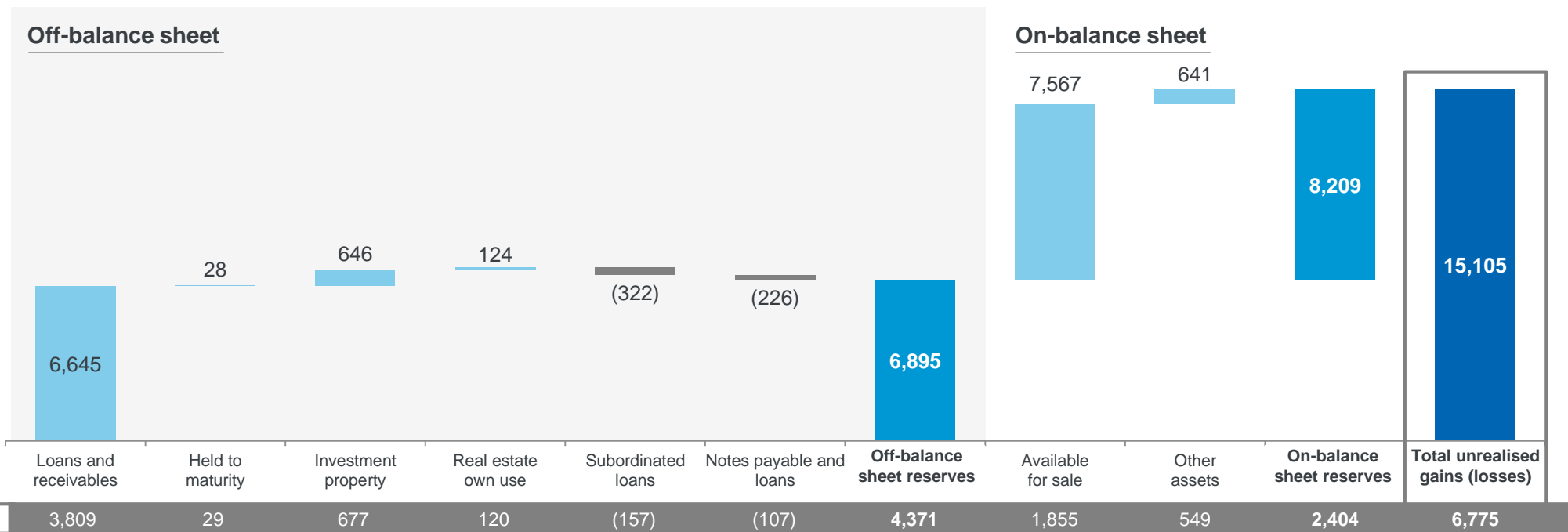
Book value per share

in EUR	31 Dec 2018	30 Sep 2019	Change	
			Abs.	%
Book value per share	34.47	40.48	6.01	+17.4
excl. goodwill	30.28	36.11	5.83	+19.3

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

3 Unrealised gains of EUR 15.1bn

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



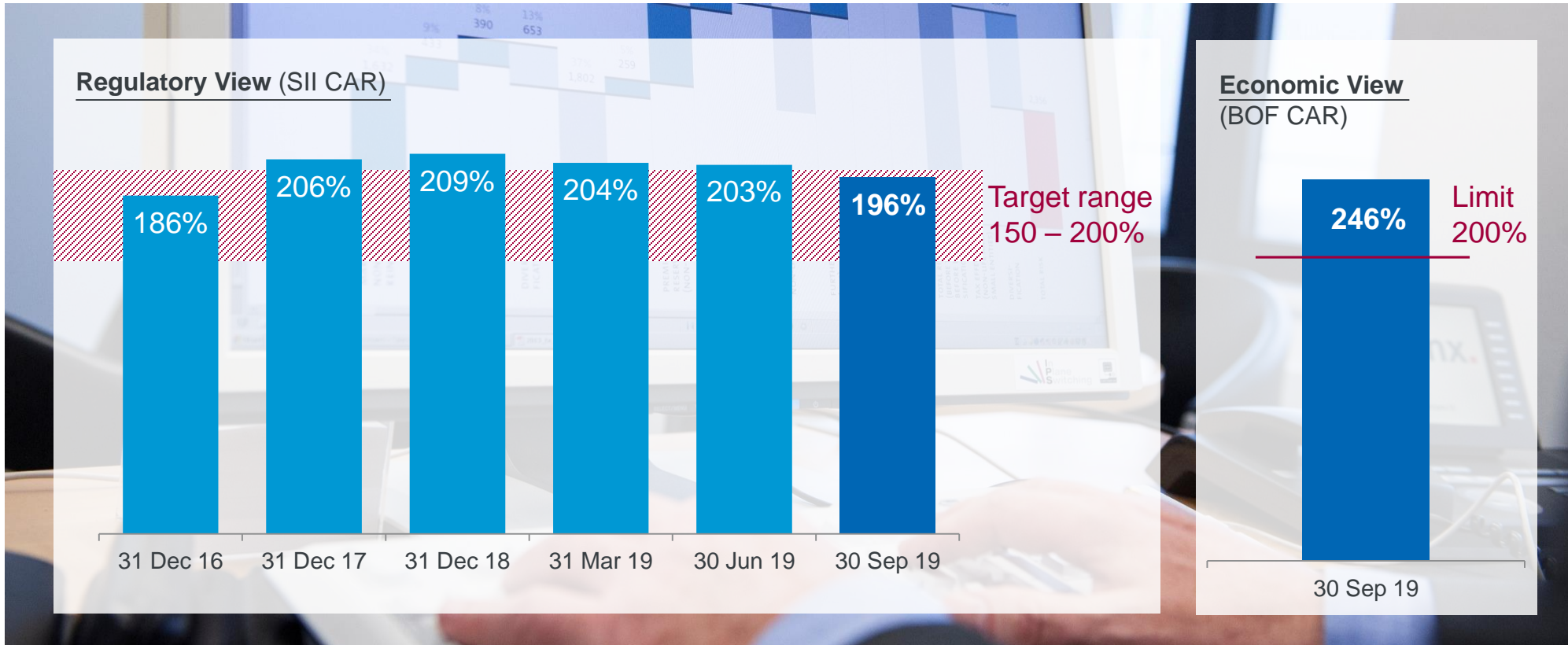
Δ market value vs. book value

Note: Shareholder contribution estimated based on historical profit sharing pattern

▶ **Off-balance sheet reserves of ~EUR 6.9bn – EUR 492m (EUR 1.94 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)



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 Sep 2019: 232% (30 Jun 2019: 240%; 31 Mar 2019: 241%; 31 Dec 2018: 252%).

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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 (2018: EUR 260m). 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

4 Outlook 2020 for Talanx Group

■ Gross written premium growth	▶	~4%
■ Net return on investment	▶	~2.7%
■ Group net income	▶	between „more than EUR 900m“ and EUR 950m
■ Return on equity	▶	between more than 9.0% and 9.5%
■ Dividend payout	▶	35 – 45% DPS at least stable y/y

Note: The Outlook 2020 is based on a large loss budget of EUR 360m (2019: EUR 315m) in Primary Insurance, of which EUR 301m in Industrial Lines (2019: EUR 278m). The large loss budget in Reinsurance stands at EUR 975m (2019: EUR 875m). All targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets and no material currency fluctuations

Agenda

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Group Highlights

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Investments / Capital

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Outlook

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Appendix

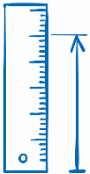


Mid-term Target Matrix

Additional Information

Risk Management

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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>targeting 2/3 of Primary Insurance premiums to come from outside of Germany</p>
	Constraints		

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

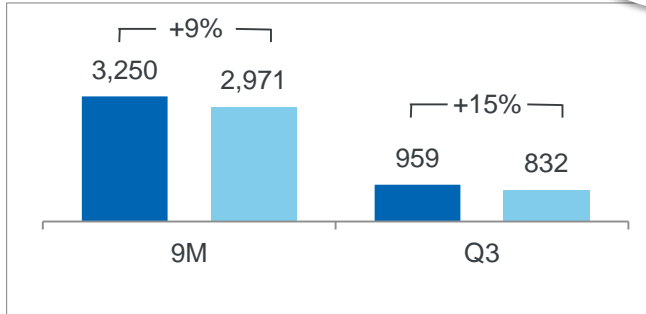
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Additional Information – Retail International Europe: Key financials

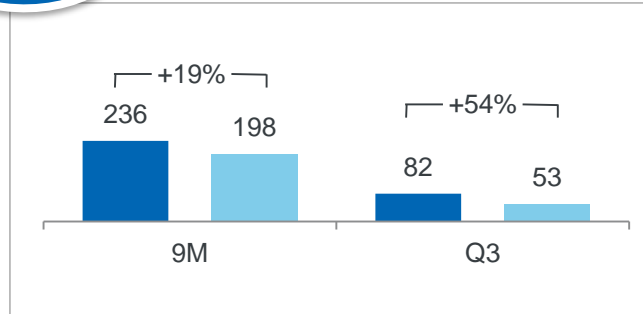
EURm, IFRS ■ 2019 ■ 2018

9M 2019
(currency adjusted)
GWP: +10.9%

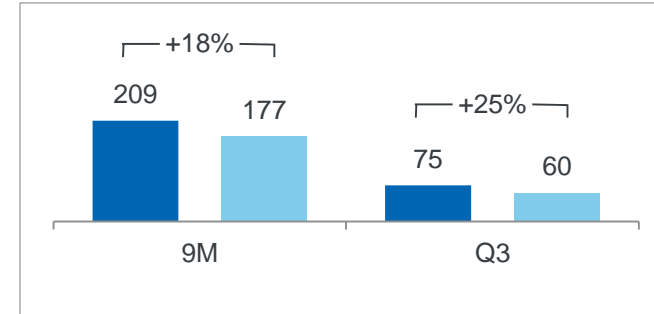
Gross written premiums



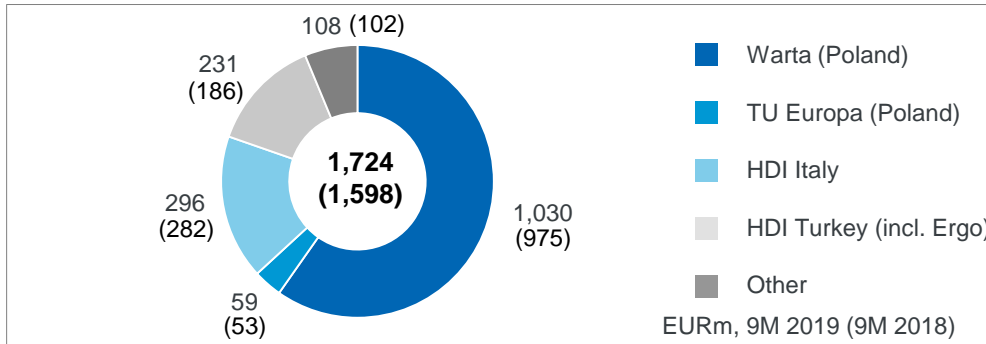
Investment income



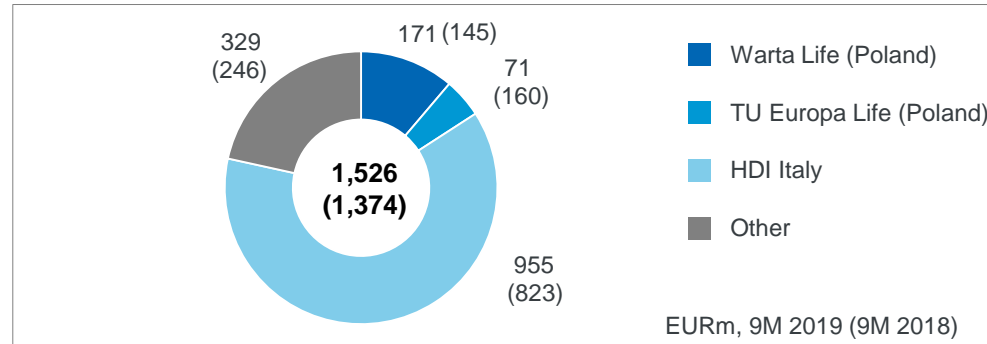
Operating result (EBIT)



GWP split by carriers (P/C)



GWP split by carriers (Life)



► Strong EBIT increase of 18% – driven by excellent P/C results at Warta

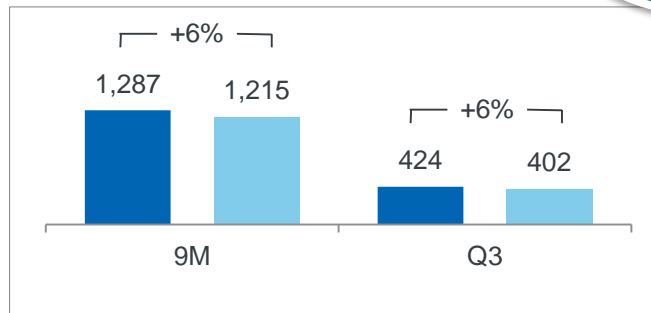
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Additional Information – Retail International LatAm: Key financials

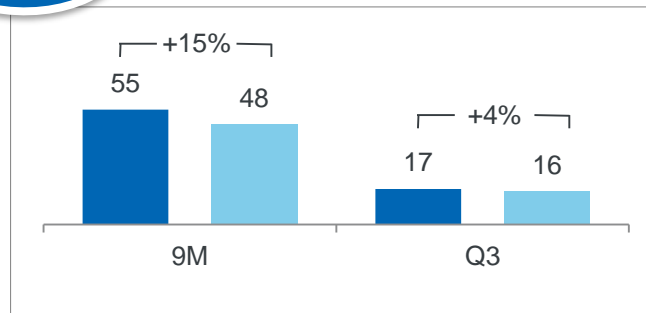
EURm, IFRS ■ 2019 ■ 2018

9M 2019
(currency adjusted)
GWP: +8.6%

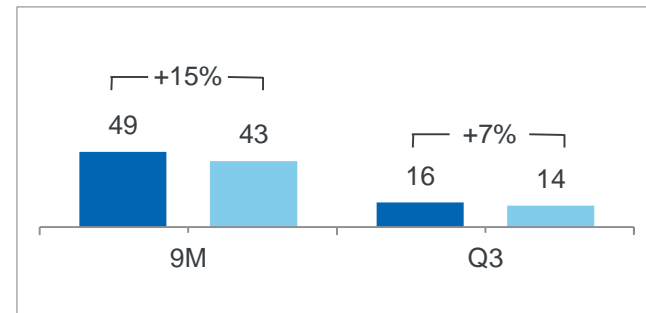
Gross written premiums



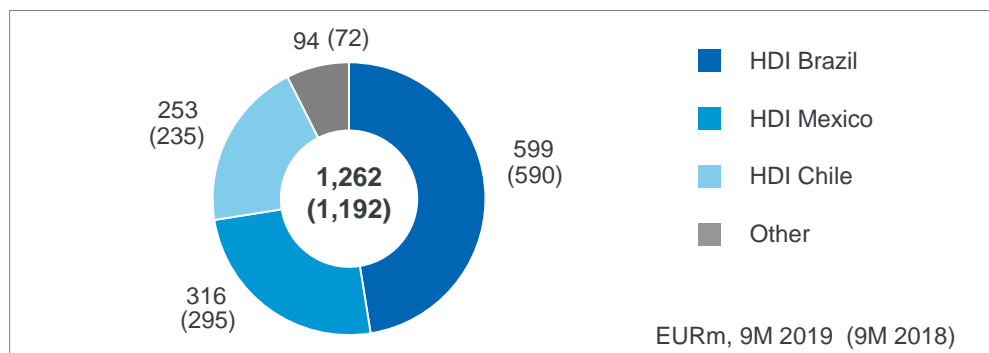
Investment income



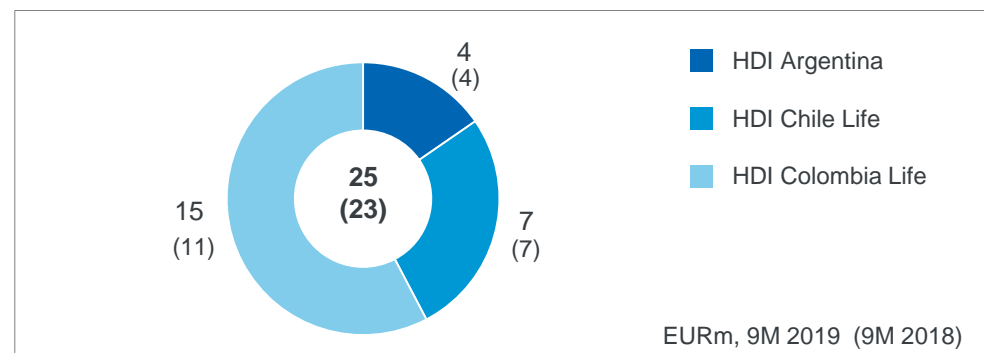
Operating result (EBIT)



GWP split by carriers (P/C)



GWP split by carriers (Life)



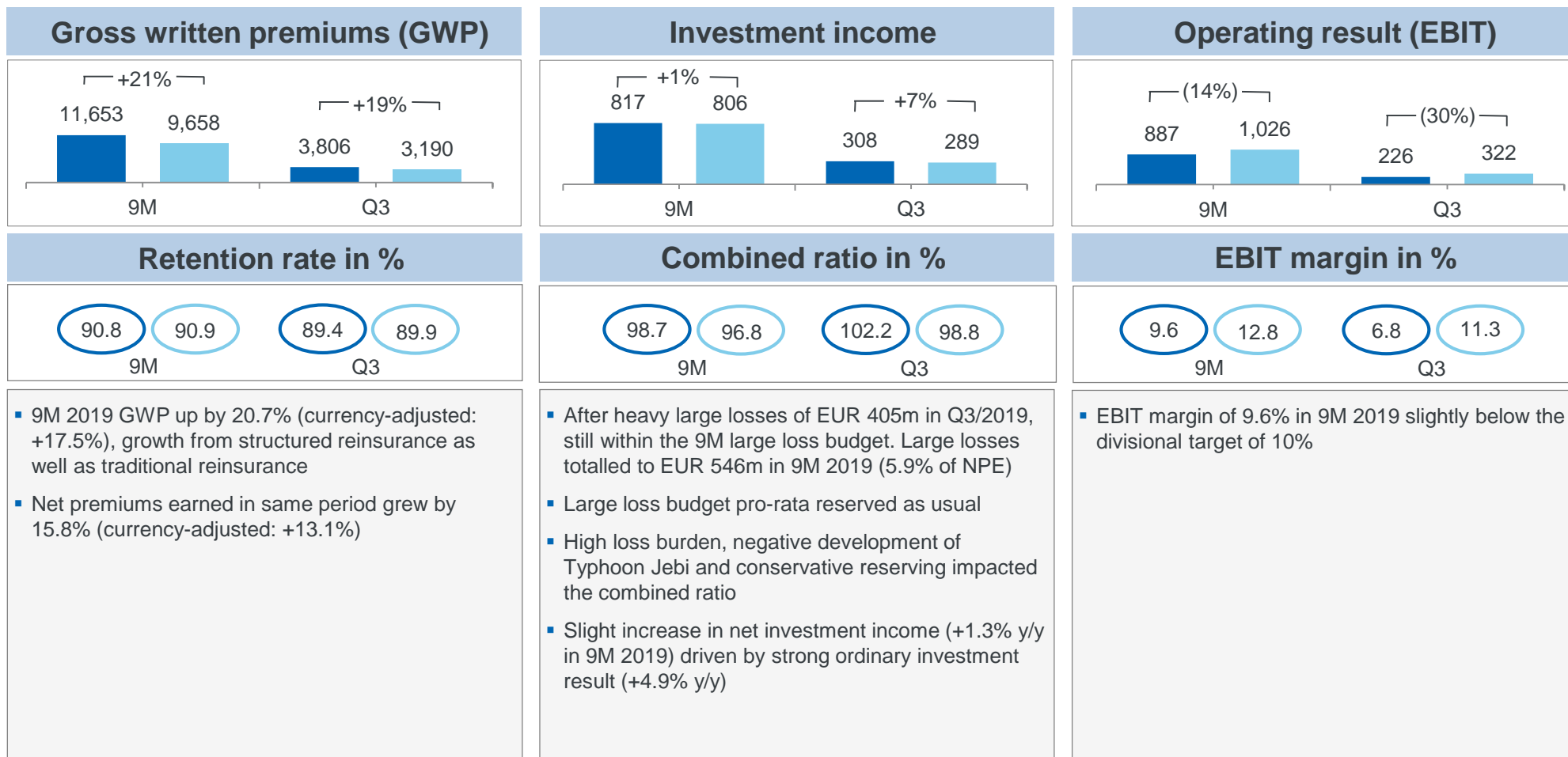
▶ EBIT improvement supported by further improved investment results in Brazil and in Mexico

Note: Due to industrial action, the 9M and Q3 2018 reporting for HDI Chile has been carried out on the basis of the figures for the first eight months of 2018 only

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Additional Information – Segment P/C Reinsurance

EURm, IFRS ■ 2019 ■ 2018

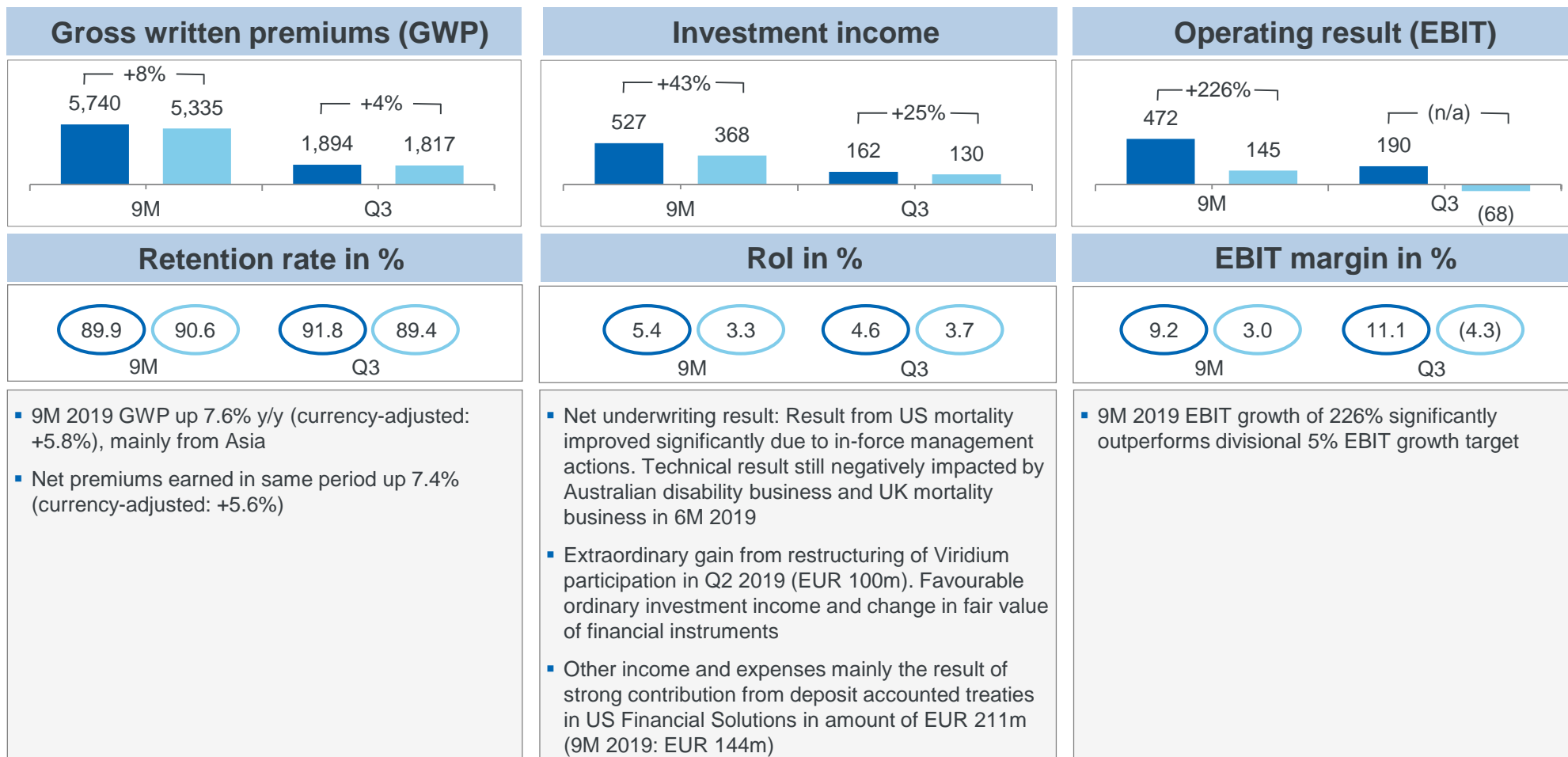


Note: EBIT margin reflects a Talanx Group view

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Additional Information – Segment Life/Health Reinsurance

EURm, IFRS ■ 2019 ■ 2018



Note: EBIT margin reflects a Talanx Group view

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Additional Information – Segments

	Industrial Lines			Retail Germany P/C			Retail Germany Life		
EURm, IFRS	9M 2019	9M 2018	Change	9M 2019	9M 2018	Change	9M 2019	9M 2018	Change
P&L									
Gross written premiums	4,883	3,756	+30%	1,337	1,312	+2%	3,395	3,310	+3%
Net premiums earned	2,149	1,910	+13%	1,105	1,075	+3%	2,501	2,443	+2%
Net underwriting result	(30)	(224)	(87%)	18	20	(10%)	(1,109)	(1,150)	+4%
Net investment income	215	183	+18%	85	66	+30%	1,242	1,257	(1%)
Operating result (EBIT)	133	(31)	(523%)	78	66	+19%	107	90	+18%
Net income after minorities	84	(36)	(336%)	-	-	-	-	-	-
Key ratios									
Combined ratio non-life insurance and reinsurance	101.4%	111.7%	(10.3%pts)	98.4%	98.2%	+0.2%pts	-	-	-
Expense ratio	20.4%	21.1%	(0.7%pts)	36.9%	35.5%	+1.4%pts	-	-	-
Loss ratio	81.0%	90.6%	(9.6%pts)	61.5%	62.7%	(1.1%pts)	-	-	-
Return on investment	3.3%	3.0%	+0.3%pts	2.8%	2.2%	+0.6%pts	3.4%	3.6%	(0.2%pts)

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Additional Information – Segments

	Retail International			P/C Reinsurance			Life/Health Reinsurance			Group		
EURm, IFRS	9M 2019	9M 2018	Change	9M 2019	9M 2018	Change	9M 2019	9M 2018	Change	9M 2019	9M 2018	Change
P&L												
Gross written premiums	4,537	4,200	+8%	11,653	9,658	+21%	5,740	5,335	+8%	30,325	27,091	+12%
Net premiums earned	4,009	3,650	+10%	9,282	8,017	+16%	5,109	4,757	+7%	24,186	21,841	+11%
Net underwriting result	34	57	(40%)	89	231	(61%)	(275)	(357)	(23%)	(1,282)	(1,424)	(10%)
Net investment income	286	243	+18%	817	806	+1%	527	368	+43%	3,156	2,901	+9%
Operating result (EBIT)	227	201	+13%	887	1,026	(14%)	472	145	+226%	1,863	1,470	+27%
Net income after minorities	132	123	+7%	-	-	-	-	-	-	742	488	+52%
Key ratios												
Combined ratio non-life insurance and reinsurance	95.1%	94.4%	+0.7%pts	98.7%	96.8%	1.9%pts	-	-	-	98.5%	98.6%	(0.1%pts)
Expense ratio	28.9%	28.1%	+0.9%pts	29.8%	30.5%	(0.7%pts)	-	-	-	28.8%	29.1%	(0.3%pts)
Loss ratio	66.1%	66.4%	(0.3%pts)	69.3%	66.6%	+2.7%pts	-	-	-	69.9%	69.7%	+0.2%pts
Return on investment	3.4%	3.2%	+0.2%pts	3.0%	3.3%	(0.3%pts)	5.4%	3.3%	+2.1%pts	3.4%	3.3%	+0.1%pts

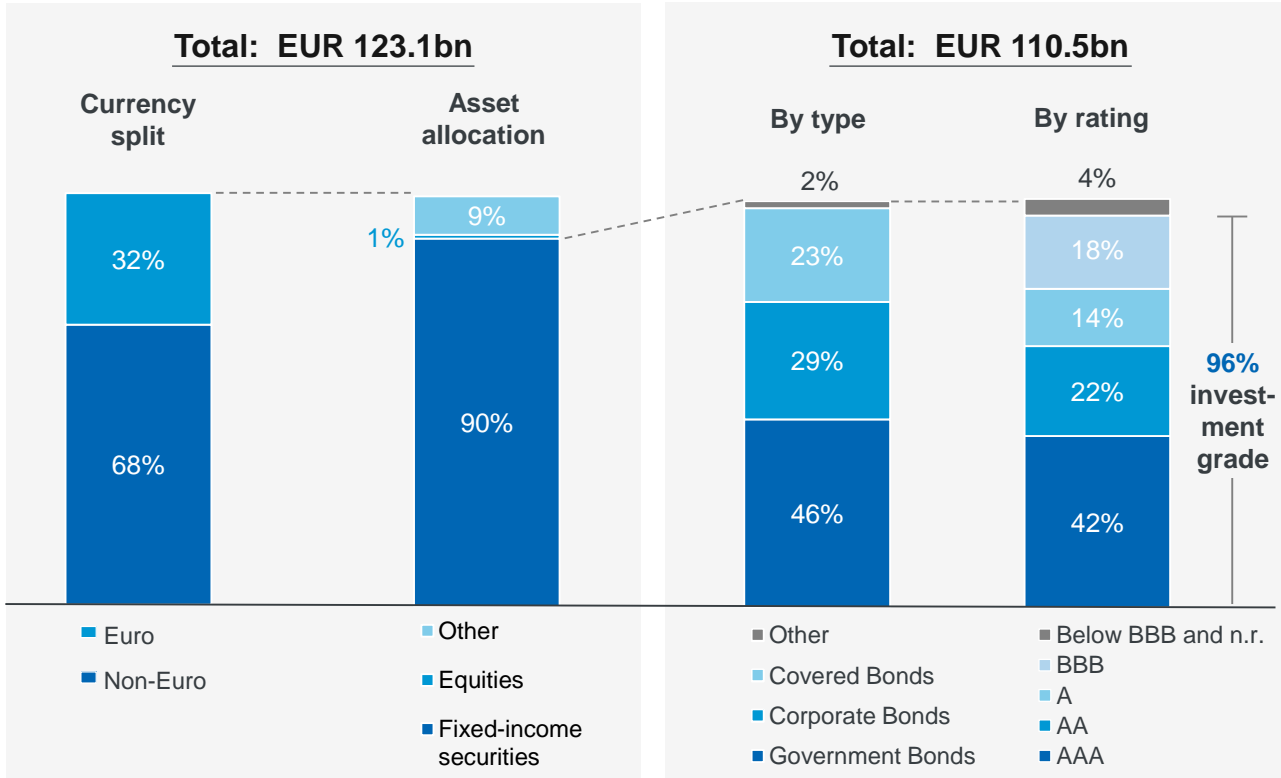
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Additional Information – Breakdown of investment portfolio

Investment portfolio as of 30 Sep 2019

Fixed-income portfolio split

Comments



- Assets under own management increased by 3.7% to EUR 123.1bn from 30 June 2019 (EUR 118.7bn; 31 Dec 2018: EUR 111.9bn)
- Investment portfolio remains dominated by fixed-income securities: 90% portfolio share unchanged vs. 30 June 2019
- Portion of fixed-income portfolio invested in “A” or higher-rated bonds unchanged vs. 30 June 2019 at 78%
- 19% of assets under own management are held in USD (30 June 2019: 18%); 32% overall in non-euro currencies (30 June 2019: 32%)

Investment strategy unchanged – portfolio characterised by fixed-income securities with high ratings

Note: Percentages may not add up due to rounding. “BB and below” includes non-rated

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Additional Information – Details on selected fixed-income country exposure

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

Country	Rating	Sovereign	Semi-Sovereign	Financial	Corporate	Covered	Other	Total
Italy	BBB	2,667	-	659	550	487	-	4,362
Brazil	BB-	286	-	67	327	-	11	691
Hungary	BBB	566	-	11	8	23	-	608
Mexico	BBB+	84	2	162	339	-	-	586
Russia	BBB-	292	24	32	195	-	-	542
South Africa	BB+	124	-	142	97	-	1	365
Portugal	BBB	37	-	40	41	1	-	120
Turkey	BB-	20	-	26	28	3	-	77
Other BBB+		125	-	81	116	-	-	322
Other BBB		217	26	142	131	-	-	517
Other <BBB		189	29	94	195	-	260	768
Total		4,606	81	1,456	2,028	514	272	8,957
in % of total investments under own management		3.7%	0.1%	1.2%	1.6%	0.4%	0.2%	7.3%
in % of total Group assets		2.6%	0.0%	0.8%	1.1%	0.3%	0.2%	5.0%

5 Financial Calendar and IR contacts



- **20 November 2019**
Capital Markets Day in Frankfurt
- **16 March 2020**
Annual Report 2019
- **7 May 2020**
Quarterly Statement as at 31 March 2020 and
Annual General Meeting



Carsten Werle, CFA
Head of IR



Bernt Gade
Equity & Debt IR



Carsten Fricke
Equity & Debt IR



Hannes Meyburg
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Alexander Zessel
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