

**Talanx Group
Interim Report
as at 30 June
2024**

KEY GROUP FIGURES

	Unit	6M 2024	6M 2023	+/- 6M 2024 vs 6M 2023
Insurance revenue	EUR million	23,606	20,862	13.2%
Primary Insurance	EUR million	11,188	9,031	23.9%
Property/casualty primary insurance	EUR million	9,906	7,909	25.2%
Life primary insurance	EUR million	1,282	1,121	14.3%
Reinsurance	EUR million	12,916	12,273	5.2%
Property/casualty reinsurance	EUR million	9,099	8,365	8.8%
Life/health reinsurance	EUR million	3,817	3,908	-2.3%
Insurance revenue by region				
Germany	%	15	15	-0.3 pts
United Kingdom	%	10	10	0.3 pts
Central and Eastern Europe (CEE), including Türkiye	%	9	5	3.0 pts
Rest of Europe	%	12	13	-0.6 pts
USA	%	24	27	-3.8 pts
Rest of North America	%	4	4	—
Latin America	%	13	9	4.3 pts
Asia and Australia	%	12	14	-2.5 pts
Africa	%	1	1	-0.4 pts
Insurance service result (net)	EUR million	2,320	1,627	42.5%
Net investment income for own risk	EUR million	2,186	1,726	26.6%
Net return on investments for own risk²	%	3.2	2.7	0.5 pts
Operating profit/loss (EBIT)	EUR million	2,515	1,957	28.5%
Net income attributable to shareholders of Talanx AG	EUR million	1,090	827	31.8%
Primary Insurance	EUR million	529	380	39.4%
Reinsurance	EUR million	585	484	20.8%
Return on equity³	%	20.3	18.5¹	1.8 pts
Earnings per share				
Basic earnings per share	EUR	4.22	3.26	29.3%
Diluted earnings per share	EUR	4.22	3.26	29.3%
Combined ratio (net/gross)⁴	%	91.2	93.7	-2.5 pts
Property/casualty primary insurance (net/gross) ⁴	%	92.4	94.3	-1.8 pts
Property/casualty reinsurance (net/net) ⁵	%	87.8	91.7	-3.9 pts
		30.06.2024	31.12.2023	+/-
Total assets	EUR million	173,972	169,347	2.7%
Equity attributable to shareholders of Talanx AG	EUR million	11,036	10,447	5.6%
Contractual service margin	EUR million	12,388	10,720	15.6%
Subordinated liabilities (hybrid capital)	EUR million	4,512	5,262	-14.3%
Investments for own risk	EUR million	138,778	135,390	2.5%
Carrying amount per share	EUR	42.74	40.46	5.6%
excluding goodwill	EUR	36.35	34.22	6.2%
Share price	EUR	74.55	64.65	15.3%
Number of shares outstanding	number	258,228,991	258,228,991	—
	as at the reporting date			
Employees		29,572	27,863	6.1%

¹ Adjusted in accordance with IAS 8, see also the "Accounting policies" section of the Notes in the annual financial statement 2023.

² Ratio of annualised net investment income for own risk to average investment portfolio for own risk.

³ Annualised ratio of net income (after financing costs and taxes) excluding non-controlling interests to average equity excluding non-controlling interests.

⁴ 1- [insurance service result (net) divided by insurance revenue (gross)].

⁵ 1- [insurance service result (net) divided by (insurance revenue (gross) - reinsurance expenses)].

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Interim Group Management Report

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Report on economic position

Markets, business climate and the industry environment

Global economic activity cooled further in the first half of 2024, partly due to ongoing geopolitical tensions, falling but still high inflation and the resulting restrictive monetary policy adopted by many central banks in recent years.

At +0.3% in the first quarter compared to the previous period, growth in the eurozone was stronger than it has been for a year and a half. Sentiment amongst companies and private households, as measured by surveys, gradually improved over the course of the first half of the year, although the business sentiment amongst industrial companies in particular (including export-orientated companies) remains subdued due to higher energy prices and weaker global trade. Thus, industrial output in May stood 2.9% lower than a year ago. In light of this, eurozone GDP grew by 0.3% in the second quarter compared to the previous quarter.

After the US economy exhibited a high level of resilience in 2023 in the face of an almost unprecedented cycle of interest rate hikes by the Fed (ten rate hikes since March 2022, from 0.25% to 5.50%), the impact of the restrictive monetary policy is now clearly visible. For example, GDP growth slowed from 1.2% in the third quarter of 2023 to 0.3% in the first quarter of 2024 compared to the previous period. In this context, consumer spending has particularly declined. The reason for this is the slow return of the purchasing power lost in recent years, although inflation has now fallen to 3.0% after peaking at 9.1% two years ago. Against this backdrop, the US economy grew by 0.7% in the second quarter of this year, slightly more strongly than in the previous quarter.

After a quarter-on-quarter increase of 1.5% in the first quarter of this year, the Chinese economy only grew by 0.7% in the spring. In addition to weakening world trade and the global economy, this is particularly due to the unresolved upheavals in the domestic real estate sector, especially as the government's efforts to provide support in this area have been very modest.

After Latin America's economies grew by 1.6% in 2023 compared to the previous year, or roughly one percentage point slower than the average since the turn of the millennium, growth has recently picked up again somewhat. Many central banks in the region reacted to rising inflation in the wake of the COVID-19 pandemic earlier than the Fed and ECB and were already able to reverse course last year in favour of a somewhat looser monetary policy, which is giving the economies a boost.

The international capital markets generally performed well in this difficult environment in the first half of the year. The US S&P 500 performed the best of all equity markets, increasing by 14.5% (through 30 June 2024, all performance figures calculated in US dollars), benefiting significantly from the strong performance of individual technology companies in conjunction with the euphoria surrounding the topic of artificial intelligence. Shares from the industrialised countries (MSCI World: +10.8%) performed slightly worse than the S&P, while shares from the eurozone (Euro Stoxx: +2.5%) and Germany (DAX: +5.4%) lagged well behind. The same was true of the Asian equity markets (MSCI Asia ex Japan: +8.6%), Chinese equities (MSCI China: +3.5%) and Latin American equities in particular (MSCI Latin America: -18.2%). Hopes at the end of last year that the US Federal Reserve could cut interest rates earlier than previously expected pushed the yield on 10-year US government bonds down significantly over the course of the fourth quarter of 2023. Inflation, which subsequently proved to be more persistent, and the associated postponement of the decision to begin cutting interest rates in the United States caused yields to rise from 3.88% to 4.40% in the first half of 2024. Although the ECB initiated a turnaround in interest rate policy at the beginning of June by lowering the deposit rate from 4.00% to 3.75%, the yield on 10-year German government bonds also rose from 2.02% to 2.50% during this period.

At the beginning of 2024, the **insurance industry** was characterised by weak economic development and only slowly declining inflation. This had a particularly negative impact on the single premium business in life insurance and led to an overall decline in new business. In property/casualty insurance, on the other hand, downstream inflation-related increases led to solid growth in premium income.

Business performance

Group's course of business

- Insurance revenue up 14.2% adjusted for currency effects
- Large losses remained within the expected budget for the first half of the year
- Combined ratio down, partly as a result of measures to improve profitability

KEY GROUP FIGURES

EUR million	6M 2024	6M 2023	+/-
Insurance revenue	23,606	20,862	+13.2%
Insurance service result	2,320	1,627	+42.5%
Net insurance financial and investment result before currency effects	784	760	+3.1%
of which investment result	3,434	2,506	+37.1%
of which net insurance financial result before currency effects	-2,651	-1,745	-51.9%
Operating profit/loss (EBIT)	2,515	1,957	+28.5%
Combined ratio (property/casualty only, net/gross) in %	91.2	93.7	-2.5 ppts

MANAGEMENT METRICS

%	6M 2024	6M 2023 ¹	+/-
Growth of insurance revenue (adjusted for currency effects)	14.2	10.7	+3.5 ppts
Group net income in EUR billion	1.1	0.8	+31.8%
Return on equity	20.3	18.5	+1.8 ppts

¹ Adjusted in accordance with IAS 8.

Insurance revenue

The Talanx Group increased its insurance revenue by 13.2% in the first half of 2024 to EUR 23.6 (20.9) billion (14.2% adjusted for currency effects), with the Industrial Lines (13.7%) and Retail International Divisions through organic growth and acquisitions in Latin America (48.8%) particularly instrumental here. The Reinsurance Division also grew.

Insurance service result

The insurance service result improved substantially by 42.5% to EUR 2,320 (1,627) million. In the first half of 2024, large losses totalled EUR 750 (820) million, more than two thirds of which were losses from natural catastrophes. Large losses remained below the pro rata budget for the period of EUR 1,086 million. As usual, the Group recognised the expected budget for large losses in full. The combined ratio improved by 2.5 percentage points to 91.2% (93.7%).

Net insurance financial and investment result (before currency effects)

At the end of the first half of 2024, the net investment result was EUR 3,434 (2,506) million, 37.1% higher than in the prior-year period. The net investment result for own risk improved to EUR 2,186 million (equal to +27%). Growth in extraordinary investment income totalled 66%, while ordinary investment income rose by 15%. The net insurance financial result adjusted for currency effects, which includes the unwinding of discounted technical provisions and policyholder participation in the net investment result, including income from unit-linked insurance contracts, was EUR -2,651 (-1,745) million. Overall, the net insurance financial and investment result before currency effects rose slightly by 3.1% to EUR 784 (760) million.

Operating profit and Group net income

Operating profit (EBIT) rose by 28.5% to EUR 2,515 (1,957) million. The increase is primarily due to the higher EBIT achieved in the Industrial Lines (+60.2%), Retail International Divisions (+70.6%) and Property/Casualty Reinsurance segment (+39.4%). For the first time, Group net income in a half-year period exceeded EUR 1 billion, totalling EUR 1.1 (0.8) billion. It was thus 31.8% higher than in the same period of the prior year. This was primarily due to organic growth and to profitability measures of the business. Return on equity in the reporting period was 20.3% (18.5%). This puts it above the strategic target of "roughly 15%".

Performance of the Group's Divisions

At a strategic level, Talanx divides its business into seven reportable segments: Industrial Lines, Retail Germany (divided into Property/Casualty and Life Insurance), Retail International, Property/Casualty Reinsurance, Life/Health Reinsurance and Corporate Operations. There have been no changes since the Group reported on the structure and scope of business in the 2023 Talanx Group Annual Report.

Industrial Lines

- Double-digit growth in insurance revenue due to rate increases and new business
- Insurance service result improved due to continued decline in frequency losses
- Investment result significantly above prior-year level

KEY FIGURES FOR THE INDUSTRIAL LINES DIVISION

EUR million	6M 2024	6M 2023	+/-
Insurance revenue	4,798	4,221	+13.7%
Insurance service result	429	292	+47.0%
Net insurance financial and investment result before currency effects	68	49	+39.5%
of which investment result	186	108	+72.5%
of which net insurance financial result before currency effects	-118	-59	-99.9%
Operating profit/loss (EBIT)	305	190	+60.2%

MANAGEMENT METRICS FOR THE INDUSTRIAL LINES DIVISION

%	6M 2024	6M 2023	+/-
Growth of insurance revenue (adjusted for currency effects)	13.9	11.0	+2.9 ppts
Combined ratio (net/gross)	91.1	93.1	-2.0 ppts
Return on equity	15.7	12.8	+2.8 ppts

The Division pools global activities relating to industrial insurance within the Talanx Group and operates on the German market and in over 175 countries through its foreign branches, subsidiaries, affiliates and network partners.

Insurance revenue

Insurance revenue for the Division amounted to EUR 4.8 (4.2) billion as at 30 June 2024, a substantial increase of 13.7% (13.9% after adjustment for currency effects). The premium increases resulted primarily from growth in the property, speciality and liability business through rate increases and new business.

Insurance service result

At EUR 429 (292) million, the net insurance service result in the Division was up significantly on the previous year. The loss ratio improved to 75.0% (76.1%) due to a further decline in frequency losses. The expense ratio also decreased to 16.1% (17.0%). This resulted in an improved combined ratio of 91.1% (93.1%) for the Industrial Lines Division.

Net insurance financial and investment result (before currency effects)

At EUR 186 (108) million, the investment result was significantly higher than in the prior-year period due to an increased investment volume and higher current interest income.

The development of the net insurance financial result to EUR -118 (-59) million was in line with expectations in the current interest rate environment. Other income/expenses declined to EUR -171 (-155) million due to a growth-related increase in costs.

Operating profit and Group net income

As a result of the increased net insurance service result and net investment result, operating profit for the Division totalled EUR 305 (190) million and was therefore significantly higher than in the prior-year period. Group net income amounted to EUR 223 (151) million.

Retail Germany

Property/Casualty Insurance

- Increase in insurance revenue in all lines
- Insurance service result heavily impacted by motor business and heavy rainfall in southern Germany
- Decrease in net investment result due to increased unwinding of the discount on the loss reserve as a result of rising interest rates

KEY FIGURES FOR THE RETAIL GERMANY DIVISION – PROPERTY/CASUALTY INSURANCE SEGMENT

EUR million	6M 2024	6M 2023	+/-
Insurance revenue	896	861	+4.1%
Insurance service result	3	34	-91.5%
Net insurance financial and investment result before currency effects	31	40	-23.5%
of which investment result	50	48	+3.4%
of which net insurance financial result before currency effects	-19	-8	-139.4%
Operating profit/loss (EBIT)	16	39	-57.8%

MANAGEMENT METRICS FOR THE PROPERTY/CASUALTY INSURANCE SEGMENT

%	6M 2024	6M 2023	+/-
Growth of insurance revenue	4.1	7.6	-3.5 ppts
Combined ratio (net/gross)	99.7	96.1	+3.6 ppts

Insurance revenue

Insurance revenue in the Property/ Casualty Insurance segment rose by 4.1% to EUR 896 (861) million. Growth was achieved particularly in the corporate customers/liberal professions and motor business as well as in the biometric core business of bancassurance.

Insurance service result

In the current financial year, the insurance service result declined compared to the prior-year period to EUR 3 (34) million. This was primarily due to the heavy rainfall event in southern Germany and the further increase in losses in motor business.

The (net) combined ratio rose by 3.6 percentage points from 96.1% to 99.7%.

Net insurance financial and investment result (before currency effects)

The net insurance financial and investment result declined to EUR 31 (40) million due to higher expenses for unwinding the discount on the loss reserve as a result of the rise in interest rates.

Operating profit

Operating profit declined to EUR 16 (39) million, primarily due to increased losses in motor.

Life Insurance

- Increase in insurance revenue
- Rise in net investment income thanks to higher extraordinary net income
- EBIT increase primarily due to higher interest income on bank deposits

KEY FIGURES FOR THE RETAIL GERMANY DIVISION – LIFE INSURANCE SEGMENT

EUR million	6M 2024	6M 2023	+/-
Insurance revenue	898	861	+4.3%
Insurance service result	142	145	-2.4%
Net insurance financial and investment result before currency effects	6	30	-80.9%
of which investment result	1,822	1,237	+47.3%
of which net insurance financial result before currency effects	-1,816	-1,207	-50.4%
Operating profit/loss (EBIT)	128	111	+15.4%

MANAGEMENT METRICS FOR THE LIFE INSURANCE SEGMENT

%	6M 2024	6M 2023	+/-
Growth of insurance revenue	4.3	-5.5	+9.9 ppts
New business value (net) in EUR million	127	148	-14.5%

Insurance revenue

Insurance revenue in the Life Insurance segment rose by 4.3% to EUR 898 (861) million. This was primarily due to growth in new business in the biometric core business of bancassurance and pension products.

The new business value fell by 14.5% to EUR 127 (148) million.

Insurance service result

The insurance service result remained stable at EUR 142 (145) million.

Net insurance financial and investment result (before currency effects)

The net insurance financial and investment result (before currency effects) decreased to EUR 6 (30) million as a whole. This was primarily due to improved net investment income of EUR 593 (483) million and higher income from unit-linked insurance contracts of EUR 1,229 (754) million. Policyholders participated in these results, putting the insurance financial result before currency effects including net income from unit-linked life insurance contracts at EUR -1,816 (-1,207) million.

Operating profit

Operating profit (EBIT) in the Life Insurance segment increased by 15.4% to EUR 128 (111) million due to higher interest income on bank deposits.

Retail Germany Division as a whole

RETURN ON EQUITY FOR THE RETAIL GERMANY DIVISION AS A WHOLE

%	6M 2024	6M 2023 ¹	+/-
Return on equity	10.4	11.8	-1.3 ppts

¹ Adjusted in accordance with IAS 8.

After taking into account taxes on income, financing costs and minority interests, Group net income fell to EUR 82 (88) million, meaning that the return on equity fell by 1.3 percentage points to 10.4%, taking into account an increase in average equity.

Retail International

- Insurance revenue +48.8% from organic growth and particularly from the first-time inclusion of the Liberty acquisitions
- Increase in Group net income of +59% due to insurance service performance (combined ratio of 92.4%)
- Improved return on equity (14.7%) despite significant equity financing of the Liberty acquisitions

KEY FIGURES FOR THE RETAIL INTERNATIONAL DIVISION

EUR million	6M 2024	6M 2023	+/-
Insurance revenue	4,595	3,087	+48.8%
Insurance service result	385	185	+107.6%
Net insurance financial and investment result before currency effects	200	157	+27.1%
of which investment result	378	277	+36.4%
of which net insurance financial result before currency effects	-178	-120	-48.7%
Operating profit/loss (EBIT)	424	249	+70.6%

MANAGEMENT METRICS FOR THE RETAIL INTERNATIONAL DIVISION

%	6M 2024	6M 2023	+/-
Growth of insurance revenue (adjusted for currency effects, property/casualty insurance)	58.4	28.4	+30.0 ppts
Combined ratio (net/gross, property/casualty insurance)	92.4	95.4	-3.0 ppts
Growth of insurance revenue (adjusted for currency effects, life insurance)	49.9	39.3	+10.6 ppts
Return on equity	14.7	12.0	+2.7 ppts

This Division bundles the Talanx Group's international retail business activities and is active in both Europe and Latin America. Following the signing of the contract for the acquisition of the Liberty Mutual companies in Brazil, Chile, Colombia and Ecuador in May 2023, the transaction in Brazil was completed in November 2023. The acquisition of the other Liberty Mutual companies in Chile, Colombia and Ecuador was finally successfully completed on 1 March 2024. HDI has thus strengthened its market position and become the second-largest property insurer in the private customer market in Latin America.

Insurance revenue

Insurance revenue in the Division increased by 48.8% to EUR 4.6 (3.1) billion compared to the first half of 2023. Insurance revenue adjusted for currency effects was up 58.4% on the comparative period.

In the Europe region, insurance revenue rose by 15.1% to EUR 2.3 billion, driven primarily by the Polish company TUIR Warta S. A., which grew by 15% in both motor insurance and homeowners insurance after adjusting for currency effects. Insurance revenue in life insurance also saw significant growth at the Polish company TunZ Warta S. A., climbing to EUR 169 (135) million.

In the Latin America region, insurance revenue increased by 110.1% year on year to EUR 2.3 (1.1) billion, primarily due to the first-time inclusion of the Liberty companies.

Insurance service result

The insurance service result in property insurance increased by EUR 191 million to EUR 320 million. The combined ratio of the property insurance companies fell by 3.0 percentage points year on year to 92.4%, with the acquired Liberty companies being the main contributors here. Furthermore, the Chilean HDI Seguros also contributed to the improvement with extremely strong insurance service performance in motor insurance.

Net insurance financial and investment result (before currency effects)

Compared to the first half of 2023, net investment income rose to EUR 378 (277) million. The contribution of the acquired Liberty companies as well as increased volumes and higher interest rates, particularly in Türkiye, led to an increase in ordinary net investment income. The result from unit-linked insurance policies reduced the net investment result by EUR 6 million. However, this effect was offset in the net insurance financial result by policyholder participation. In the net insurance financial result of property insurance companies, expenses from unwinding discounts on technical provisions increased by EUR 62 million.

Operating profit and Group net income

At EUR 424 (249) million, the Retail International Division achieved an operating profit (EBIT) that was 70.6% higher in the first half of 2024 than in the same period of the previous year. The operative improvement resulted both from the first-time inclusion of the acquired Liberty companies and from improvements in insurance service performance at HDI Sigorta A.Ş. in Türkiye and generally higher interest rates. Group net income after minority interests increased accordingly to EUR 224 (141) million with a return on equity of 14.7% (12.0%).

Additional key figures

RETAIL INTERNATIONAL DIVISION BY LINE OF BUSINESS AT A GLANCE

EUR million	6M 2024	6M 2023	+/-
Insurance revenue	4,595	3,087	48.8%
Property/Casualty	4,212	2,827	49.0%
Life	383	260	47.5%
Insurance service result	385	185	107.6%
Property/Casualty	320	129	147.4%
Life	65	56	16.0%
Net insurance financial and investment result before currency effects	200	157	27.1%
Property/Casualty	182	146	24.4%
Life	20	13	50.5%
Other	-2	-2	9.6%

RETAIL INTERNATIONAL DIVISION BY REGION AT A GLANCE

EUR million	6M 2024	6M 2023	+/-
Insurance revenue	4,595	3,087	48.8%
of which Europe	2,289	1,990	15.1%
of which Latin America	2,306	1,098	110.1%
Insurance service result	385	185	107.6%
of which Europe	179	105	71.0%
of which Latin America	206	81	155.1%
Net insurance financial and investment result before currency effects	200	157	27.1%
of which Europe	133	115	15.6%
of which Latin America	71	46	54.6%
Operating profit/loss (EBIT)	424	249	70.6%
of which Europe	259	179	44.3%
of which Latin America	186	96	93.2%

Reinsurance

Property/Casualty Reinsurance

- Insurance revenue (gross) increased significantly by 8.8% to EUR 9.1 billion
- Large losses in the first half of the year within the expected budget; increased losses from secondary risks
- Combined ratio of 87.8%
- Contractual service margin (CSM) from new business increased by 1.9%
- Operating profit up 39.4% year on year to EUR 1,173 million

KEY FIGURES FOR THE REINSURANCE DIVISION – PROPERTY/CASUALTY REINSURANCE SEGMENT

EUR million	6M 2024	6M 2023	+/-
Insurance revenue	9,099	8,365	+8.8%
Insurance service result	963	598	+61.2%
Net insurance financial and investment result before currency effects	396	357	+11.2%
of which investment result	816	641	+27.3%
of which net insurance financial result before currency effects	-420	-285	-47.5%
Operating profit/loss (EBIT)	1,173	841	+39.4%

MANAGEMENT METRICS FOR THE PROPERTY/CASUALTY REINSURANCE SEGMENT

%	6M 2024	6M 2023	+/-
Combined ratio (net/net)	87.8	91.7	-3.9 ppts

Business performance

On the basis of the continued favourable price level in the Property/Casualty Reinsurance segment, we continued to significantly expand our portfolio and achieved a solid result in the first half of the year.

We achieved an inflation- and risk-adjusted price increase of 2.3% for renewed business in the main contract renewals of traditional property and casualty reinsurance as at 1 January of this year. The renewed volume increased by 6.9%. The market environment for renewals proved to be more stable than in the previous year. At the same time, demand for reinsurance cover increased, which was mainly limited to capacity from existing market participants.

With regard to the renewals as at 1 April 2024, which traditionally relate to business in the Asia-Pacific region and North America as well as parts of the specialty business, we were able to achieve slightly improved risk-adjusted prices and conditions overall. The inflation- and risk-adjusted price increase of the renewed business totalled 1.5%. The renewed volume increased by 7.1%.

Thanks to an underwriting approach that focuses on quality, the contractual service margin (CSM) from new business rose by 1.9% to EUR 1,864 million in the first half of the year. The net loss component (LC) from new business was EUR 16 (35) million.

Insurance revenue

Insurance revenue (gross) in the Property/Casualty Reinsurance segment increased significantly by 8.8% to EUR 9.1 (8.4) billion in the first half of 2024. At constant exchange rates, growth would have amounted to 10.1%.

Insurance service result

Spending for large losses in the first half of the year came to EUR 567 (607) million, staying within our budget of EUR 801 million for the first six months of the year.

The largest single net losses in the first half of the year were the flooding caused by heavy rainfall in southern Germany at EUR 120 million, the unrest in the French overseas territory of New Caledonia at EUR 82 million, the flooding following heavy rainfall in Dubai and other regions of the United Arab Emirates at EUR 82 million and flooding following heavy rainfall in Brazil at EUR 47 million. In addition, expected losses from the bridge collapse in Baltimore are still comfortably covered by the remaining large loss budget, although it is still not possible to determine a specific figure at this time. The result in the Property/Casualty Reinsurance segment is naturally influenced by prior-year events. As expected, the run-off result was also positive in the current reporting period. In the reporting period, it includes a negative development of large losses (e.g. hail events in Italy in 2023) and a significant increase in provisions for the conflict in Ukraine.

The insurance service result (net) increased by 61.2% to EUR 963 (598) million, reflecting the strong earnings situation in insurance service. The combined ratio improved to 87.8% (91.7%) and was thus in line with our expectations of less than 89% for the year as a whole.

Net insurance financial and investment result (before currency effects)

Investment income in the Property/Casualty Reinsurance segment increased by 27.3% to EUR 816 (641) million. The insurance financial result, adjusted for currency effects, amounted to EUR -420 (-285) million.

Operating profit

Operating profit (EBIT) increased by 39.4% to EUR 1,173 (841) million.

Life/Health Reinsurance

- Insurance revenue declined slightly by 2.3% to EUR 3.8 billion
- Continued demand for longevity cover and financial solutions
- Contractual service margin (CSM) from new business totalled EUR 185 million
- Operating profit declined 4.5% year on year to EUR 497 million

KEY FIGURES FOR THE REINSURANCE DIVISION – LIFE/HEALTH REINSURANCE SEGMENT

EUR million	6M 2024	6M 2023	+/-
Insurance revenue	3,817	3,908	-2.3%
Insurance service result	448	481	-6.9%
Net insurance financial and investment result before currency effects	131	167	-21.4%
of which investment result	211	225	-6.1%
of which net insurance financial result before currency effects	-80	-58	-38.2%
Operating profit/loss (EBIT)	497	521	-4.5%

MANAGEMENT METRICS FOR THE LIFE/HEALTH REINSURANCE SEGMENT

%	6M 2024	6M 2023	+/-
Insurance service result	448	481	-6.9%

Business performance

The Life/Health Reinsurance segment performed as expected in the first six months of the year.

The contractual service margin (CSM) from new business came to EUR 185 (152) million. In addition, contract extensions and changes in existing business led to a significant increase in the net contractual service margin (CSM) to EUR 6,393 million. The net loss component (LC) from new business was EUR 10 million.

Insurance revenue

Insurance revenue (gross) in the Life/Health Reinsurance segment declined by 2.3% to EUR 3.8 (3.9) billion; adjusted for currency effects, this would have translated into a decline of 2.5%.

We continue to see demand in the area of financial solutions and were able to secure new business in the first half of 2024, including in the United States. Growth in longevity cover was moderate, as expected, with growing interest in markets outside the UK, such as the United States, Australia, Europe and Asia.

The traditional reinsurance business in the area of mortality and morbidity risks performed as expected overall, with solid premiums from the health insurance business in Latin America and low-volume new business in Europe and the Middle East, among other factors.

Insurance service result

As expected, the insurance service result (net) fell by 6.9% to EUR 448 (481) million and exceeded the pro rata value of the annual target of more than EUR 850 million.

Net insurance financial and investment result (before currency effects)

Net investment income for the Life/Health Reinsurance segment fell by 6.1% to EUR 211 (225) million. The net insurance financial result before currency effects came to EUR -80 (-58) million.

Operating profit

Operating profit (EBIT) fell by 4.5% to EUR 497 (521) million.

Reinsurance Division as a whole

RETURN ON EQUITY FOR THE REINSURANCE DIVISION AS A WHOLE

%	6M 2024	6M 2023	+/-
Growth of insurance revenue (adjusted for currency effects)	6.1	5.4	+0.7 pts
Return on equity	22.8	21.5	+1.4 pts

Pro rata Group net income in the Reinsurance Division came to EUR 585 (484) million in the first half of 2024, with return on equity rising by 1.4 percentage points to 22.8% (21.5%).

Corporate Operations

- Insurance revenue from intragroup acquisitions grew to EUR 576 (533) million
- At EUR 9 (12) million, insurance service result declined slightly
- Investments for own risk in the Group up 2.5% to EUR 139 billion

The Group's reinsurance specialists

Insurance revenue from intragroup acquisitions in the Corporate Operations segment amounted to EUR 576 (533) million in the first half of 2024 and resulted from reinsurance cessions in the Industrial Lines, Retail Germany and Retail International Divisions. The insurance service result in the Corporate Operations segment fell slightly to EUR 9 (12) million in the first half of 2024. Large losses totalling EUR 17 million, including as a result of the floods in Brazil, were covered by the segment's pro rata large loss budget for the period.

The Group's investment specialists

In cooperation with its subsidiary Ampega Investment GmbH, Ampega Asset Management GmbH is chiefly responsible for handling the management and administration of the Group companies' investments and provides related services such as investment accounting and reporting. The Group's investments for own risk increased to EUR 139 (135) billion compared to the end of 2023. The Ampega companies together accounted for a total of EUR 36 (27) million of the segment's operating profit in the first half of 2024.

As an investment company, Ampega Investment GmbH manages retail and special funds and provides financial portfolio management services for institutional clients. It focuses on portfolio management and investment administration. The year 2024 began with the expectation of global interest rate cuts, starting with the US Federal Reserve. A total of up to six interest rate cuts were expected for the year as a whole, and this expectation caused share prices to rise almost unabated around the world in the first half of the year. The total value of assets managed by Ampega Investment GmbH rose by 7.6% to EUR 50.7 (47.1) billion compared to the figure at the beginning of the year. At EUR 10.9 (13.1) billion, slightly more than one fifth of the total value is managed on behalf of Group companies using special funds and direct investment mandates. Of the remainder, EUR 29.0 (24.0) billion was attributable to institutional third-party clients and EUR 10.8 (10.0) billion to the retail business. The latter is offered not only through the Group's own distribution channels and products such as unit-linked life insurance, but also via external asset managers and banks.

Operating profit

The operating profit in the Corporate Operations segment rose slightly to EUR 17 (16) million in the first half of 2024. Group net income attributable to shareholders of Talanx AG for this segment amounted to EUR -29 (-36) million after financing costs in the first half of 2024.

Assets, liabilities and financial position

Assets and liabilities

- Total assets up EUR 4.6 billion to EUR 174.0 billion
- Investments account for 88% of total assets

Significant changes in the asset structure

The EUR 4.6 billion increase in our total assets to EUR 174.0 billion is primarily attributable to the increase in investments for own risk (up EUR 3.4 billion) and investments for the account and risk of life insurance policyholders (up EUR 1.1 billion). “Liabilities from insurance contracts issued” rose in line with the increase in “Investments for the account and risk of life insurance policyholders”, which include investments for unit-linked insurance products. The increase in goodwill resulted from the acquisition of the Liberty Group in the reporting year.

Changes in investments

The global economic situation cooled further in the first half of 2024 due to ongoing geopolitical tensions, high inflation and restrictive monetary policy. Despite the difficult conditions, the international capital markets remained stable overall in the first half of the year.

The value of the total investment portfolio rose to EUR 152.4 (147.9) billion as at the middle of 2024. Investments for own risk increased by 2.5% to EUR 138.8 (135.4) billion. The increase in the value of the portfolio is mainly due to inflows from premium income as well as currency effects. These inflows more than compensated for the decline in value due to the rise in interest rates. While the ECB and other central banks cut their key interest rates slightly, interest rates in our main currency areas continued to rise across the board, with the exception of very short maturities. In addition, the acquisition of the Liberty Group, among other factors, led to an increase in investments (increase of EUR 518 million).

Investments for the account and risk of life insurance policyholders increased by EUR 1.1 billion to EUR 13.6 (12.5) billion.

Accounting for roughly 81.8% of the total, debt instruments remained the most important asset class in the first half of 2024. Reinvestments were mostly made in this asset class, taking the existing investment structure into account. The asset class contributed EUR 2.0 (1.7) billion to ordinary earnings, with the figure being almost totally reinvested in the reporting period.

A broad-based system designed to limit accumulation risk resulted in a balanced mix of investments.

Our investment activities are bounded by the Group’s internal risk model and the individual companies’ risk budgets. In accordance with our asset/liability management guidelines and the individual companies’ risk-bearing capacity, we continued to optimise and improve the portfolios as part of individual company strategies. As far as matching currency cover is concerned, US dollar-denominated investments continue to account, virtually unchanged, for the largest share of the Talanx Group’s foreign currency portfolio, at 23% (20%). Sizeable exposures – amounting to 9% (9%) of total investments – are also held in pound sterling, Polish zloty and Australian dollars. The total share of investments for own risk in foreign currencies was 41% (40%) as at the reporting date.

The equity allocation ratio (equity ratio of listed securities) was 0.8% (1.2%) at the end of the six-month period.

BREAKDOWN OF ASSETS FOR OWN RISK



30.06.2024/31.12.2023

BREAKDOWN OF ASSETS FOR OWN RISK BY ASSET CLASS

EUR million	2024		2023	
Investment property	6,333	5%	6,230	5%
Shares in affiliated companies and participating interests	1,090	1%	1,105	1%
Shares in associates and joint ventures	2,336	2%	2,249	2%
Financial instruments measured at cost	942	1%	954	1%
Financial instruments measured at fair value through other comprehensive income				
Debt instruments	111,135	80%	107,687	80%
Equity instruments	1,031	1%	1,522	1%
Financial instruments at fair value through profit or loss				
Debt instruments	1,486	1%	1,429	1%
Equity instruments	333	0%	322	0%
Derivatives (assets)	347	0%	415	0%
Funds classified as at fair value through profit or loss	9,223	7%	8,906	7%
Short-term investments	2,094	2%	2,233	2%
Investments related to investment contracts	2,077	1%	1,971	1%
infrastructure investments (other investments)	350	0%	366	0%
Investments for own risk	138,778	100%	135,390	100%
Derivatives (liabilities)	-313	13%	-276	12%
Liabilities related to investment contracts	-2,087	87%	-1,980	88%
Liabilities related to Investments	-2,400	100%	-2,256	100%

Debt instruments

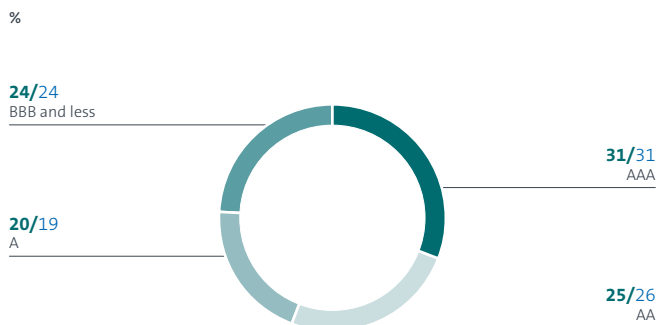
The portfolio of debt instruments was up by EUR 3.5 billion in the first half of the year to total EUR 113.6 (110.1) billion at the end of the six-month period. At 82% (81%) of total investments, this asset class represents the most significant share of our investments for own risk by volume. Debt instruments are divided into the “Financial instruments at amortised cost”, “Financial instruments measured at fair value through other comprehensive income” and “Financial instruments measured at fair value through profit or loss” categories. In accordance with the business model, the Group holds only a small portfolio of financial instruments measured at amortised cost.

“Financial instruments measured at fair value through OCI” accounted for 98% (98%) of the total portfolio of debt instruments and increased by EUR 3.4 billion to EUR 111.1 (107.7) billion. Government bonds, corporate bonds, German covered bonds (Pfandbriefe) and other similar bonds accounted for the majority of these investments. This increase is due to active investment activity. Valuation reserves recognised in other comprehensive income, which include net unrealised gains and losses, amounted to EUR -12.5 (-10.9) billion. After interest rates had generally fallen slightly at the end of 2023, they rose again in the first half of 2024 due to ongoing inflation and the delayed turnaround in interest rate policy in the United States and elsewhere.

The “Debt instruments measured at fair value through profit or loss” contained primarily corporate bonds. Total holdings in debt instruments in this category amounted to EUR 1.5 (1.4) billion as at the end of the six-month period, or 1% (1%) of total holdings in the debt instrument asset class.

Investments made in debt instruments in the first half of 2024 continued to focus on highly rated government bonds or securities from issuers with a similar credit quality. Holdings of AAA-rated debt instruments amounted to EUR 35.6 (34.5) billion as at the reporting date.

RATING STRUCTURE OF DEBT INSTRUMENTS



The Talanx Group pursues a conservative investment policy over the long term. As a result, 76% (76%) of debt instruments have at least an A rating. The Group has only a small portfolio of investments in government bonds from countries with a rating lower than A-. On a fair value basis, this portfolio amounts to EUR 6.0 (5.7) billion and therefore corresponds to a share of 4.3% (4.2%) of investments for own risk.

Equities and equity funds

As part of diversification, the Talanx Group also invests in equities. At the end of the reporting period, the value of the equities portfolio totalled roughly EUR 1.1 (1.6) billion.

The share of "Equity instruments measured at fair value through OCI" with a value of EUR 1.0 (1.5) billion saw a EUR 43 million decline in net valuation reserves to EUR 146 (189) million. The decline was primarily due to a reduction in the equity portfolio as part of a de-risking programme. These valuation reserves are recognised in equity and cannot be subsequently recycled to the statement of income.

Real estate including shares in real estate funds

The investment property portfolio totalled EUR 6.3 (6.2) billion as at the reporting date. An additional EUR 1.8 (1.8) billion is held in real estate funds, which are reported under financial instruments as "Funds classified as at fair value through profit or loss".

This slight increase reflects our increasing involvement in this area. Depreciation of EUR 33 (29) million was recognised on investment property in the reporting period. There were no impairment losses.

In the first half of 2024, the Germany-wide transaction volume for real estate totalled EUR 15.7 billion, which corresponds to growth of 9.79% compared to the same half of the previous year. Due to the increasingly stabilised purchase price situation, sufficient risk discounts and a willingness to borrow, activity on the investment market picked up noticeably in the second quarter. Nevertheless, the transaction volume in 2024 is still expected to remain well below the

long-term average, at EUR 40 billion. Properties in need of refurbishment dominate the market. Demand is concentrated on stable property types such as logistics, residential and alternative uses, while there is a lack of large office and portfolio transactions in the core area. Prime yields for office properties in the "big seven cities" are stable, but risk premiums remain high. The trend towards high-quality office space in top locations is continuing. Structural problems in the retail market are being overcome and transaction volumes are rising again. Demand and rents are rising in the logistics segment. In the residential property market, the transaction volume is down compared to the previous year.

As a result of the significant market corrections, external appraisers are now increasingly making downstream value adjustments to existing properties. Value adjustments were also made to our portfolio, which are below the general market average.

ESG remains an important topic in the property sector. The Talanx Group has now largely completed the transition to direct digital documentation of all key property consumption data. This data is essential for further ESG analyses of the portfolios.

Indirect real estate is geared towards the long term and is aimed at future capital income and capital appreciation. The portfolio consists of over 100 property funds. It is globally diversified with a focus on the regions of Europe, North America and Asia, of which Europe accounts for the majority of the allocation. Regional and sectoral diversification is intended to achieve a defensive and risk-moderate orientation of the portfolio while at the same time making a positive contribution to performance. However, even these investments are not immune to devaluations in the current market environment. The proportion of US office properties, which have experienced the most significant value correction to date, is less than one percent of the total net asset value of the Talanx Group's portfolio.

Infrastructure investments

The Talanx Group currently has a total of around EUR 1.7 (1.6) billion invested in infrastructure projects, both directly and indirectly.

Infrastructure investments have proven to be extremely resilient to market movements caused by energy price distortions and inflation and were able to continue this positive trend in the first half of 2024. This is primarily due to the fact that these assets address the basic needs of the population and therefore exhibit a less elastic demand. In addition, many projects generate secure income through regulatory measures, e.g. feed-in tariffs for renewable energies. This contributes to stable performance and reduces the risk for investors.

At the same time, infrastructure projects fit in quite well with the long-term investment horizon of an insurance company. In this area, we invest directly in selected projects via equity and debt investments. Our expertise enables us to generate illiquidity, complexity and duration premiums while at the same time increasing the diversification of our investments. These carefully selected projects offer attractive returns with an acceptable level of risk. Our diversified infrastructure portfolio currently includes financing and investments in wind and solar parks, power grids, utilities, transport projects, data centres, geothermal energy, critical communications infrastructure, fibre optic providers and public-private partnership (PPP) projects in Germany and other European countries.

In addition to direct infrastructure projects, we also invest in infrastructure via funds. The Talanx Group's indirect infrastructure portfolio is geared towards long-term capital income and value appreciation. It consists of a double-digit number of globally diversified infrastructure funds, with a focus on Europe, North America and Asia. The funds invest in various asset types in the infrastructure sector, with sustainable energies playing a special role. Through diversification at regional and sectoral level, the portfolio aims for a defensive and risk-moderate orientation with a positive contribution to performance.

The indirect infrastructure portfolio also continued to prove resilient and recorded single-digit percentage appreciation in the first half of 2024.

Other alternative investments

The Talanx Group has a broadly diversified private equity portfolio with a long-term focus. The portfolio is characterised by exclusive market access, as it has been formed and continuously developed over decades. It has investments across almost all sectors, with a focus on technology, consumer goods, industry and healthcare. The investment styles are broadly diversified, with buyout funds accounting for the majority. The Talanx Group invests worldwide, focussing on the United States, Europe and Asia.

As a result of this investment strategy, the private equity portfolio continuously contributes to the Group's investment result. Following increases in value and above-average profit distributions in prior years, the private equity portfolio recently exhibited a slightly consolidated but nevertheless stable performance with continued significant distributions, albeit to a lesser extent than before. High-growth and highly profitable quality companies remain particularly easy to sell in the current market environment. However, exits are difficult for portfolio companies with average profitability or weaker growth in the current situation and many private equity managers are keeping their companies in the portfolio for longer. The intention is to sell the company under more favourable conditions. While exits are currently losing momentum, private equity managers are taking advantage of the partly declining valuations to make promising new investments. The market environment continues to be characterised by higher interest rates and high capital commitments for new acquisitions. The high financing costs result in higher equity ratios. We are currently observing some valuation corrections for individual portfolio companies, which are primarily due to managers' misjudgements for the post-Covid period; however, we currently expect the situation to remain stable overall at portfolio level. Further performance will depend on how interest rates and the prices of publicly traded companies develop. In the medium and long term, we believe there is potential for further increases in value and expect the private equity portfolio to make a high contribution to earnings this year too.

Net investment income

CHANGES IN NET INVESTMENT INCOME

EUR million	6M 2024	6M 2023
Ordinary investment income	2,657	2,264
of which current income from interest	1,964	1,651
of which attributable to profit/loss from shares in associates	53	20
of which current income from investment funds	158	149
of which income from real estate	230	217
of which income from investment contracts	149	87
Realised net gains on disposal of investments	-119	-255
Gain/losses from fair value changes	35	14
Expenses from investment contracts	-147	-86
Depreciation on and impairment losses/reversals of impairment losses on investments	-43	-37
Other investment expenses	-196	-174
Net investment income for own risk	2,186	1,726
Net investment income for the account and risk of life insurance policyholders	1,248	779
Net investment income	3,434	2,506

The **net investment income for own risk** amounted to EUR 2,186 (1,726) million in the first half of the year and was thus significantly higher than the figure in the prior year. The annualised return on investment for investments for own risk increased to 3.2% (2.7%).

Current income from interest increased by EUR 313 million on the prior year to EUR 1,964 billion. This increase was due to the growth in the portfolio and the sustained rise in interest rates, which we utilise for our new investments and reinvestments. It also impacted the average coupon on our bonds, which rose to 2.9% and was therefore higher than the average coupon in the same period of the previous year (2.6%). Amortisation amounts also increased slightly, which is attributable to our portfolio of inflation-linked bonds, which contributed EUR 113 (109) million to the result.

The realised result from the disposal of investments improved by EUR 136 million compared to the first half of the previous year and amounted to a net value of EUR -119 (-255) million. Following the extensive portfolio measures taken in the prior year, trading activities and thus the realisation of losses declined in 2024.

Income from fair value changes was slightly positive at the end of the first half of the year at EUR 35 (14) million. The result from changes in the market value of "Real estate measured at fair value" of EUR -149 (-81) million included in this item was more than offset by positive market value developments in the other asset classes.

Total net depreciation and amortisation in the reporting period came to EUR 43 (37) million. EUR 49 (45) million of this related to depreciation on directly held real estate (EUR 33 million) and infrastructure investments (EUR 16 million). The change in provisions for expected credit losses (ECL) on investments that must be recognised in accordance with IFRS 9 resulted in net investment income of EUR 4 (9) million.

Net income from **investments for the account and risk of life insurance policyholders**, which is attributable exclusively to policyholders, improved by a substantial EUR 469 million to EUR 1,248 million thanks to positive capital market developments (30 June 2023: EUR 779 million). The offsetting item can be found under net insurance financial result with the inverse sign.

Net insurance financial and investment result before currency effects

As well as the EUR 460 million increase in net investment income from investments for own risk to EUR 2,186 (1,726) million, income from unit-linked insurance contracts attributable to policyholders also improved by EUR 469 million. Total net investment income thus rose to EUR 3,434 (+928) million. The net insurance financial result before currency effects moved in the opposite direction by EUR 905 million and totalled EUR -2,651 (-1,745) million in the first half of the year. This development was due to the EUR 311 million increase in expenses from the unwinding of the discount on insurance obligations (EUR -793 million; 30 June 2023: EUR -482 million) and the EUR 594 million increase in policyholder participation in net investment income, including the result from unit-linked life insurance (EUR -1,858 million; 30 June 2023: EUR -1,264 million).

Overall, the net insurance financial and investment result before currency effects thus improved by EUR 24 million to EUR 784 (760) million.

Financial position

Capital structure analysis

- Equity was up on the prior year at EUR 17.6 billion
- Insurance contract liabilities rose by EUR 3.2 billion to EUR 133.5 billion

Significant changes in the capital structure

Overall, net technical provisions (i.e. the balance of assets and liabilities from insurance/reinsurance contracts) rose by 2.2% or EUR 2.7 billion year on year to EUR 125.6 (122.9) billion. The increase was attributable to the liability for incurred claims (increase of EUR 3.4 billion). The liability for remaining coverage moved in the opposite direction (decline of EUR 0.7 billion). The increase in the liability for incurred claims is mainly attributable to the Property/Casualty Reinsurance and Industrial Lines segments, while the decrease in the liability for remaining coverage is primarily attributable to the Property/Casualty Reinsurance segment.

The contractual net service margin rose by EUR 1.7 billion to EUR 12.4 (10.7) billion and the overall net risk adjustment by EUR 0.1 billion to EUR 5.3 (5.1) billion. A total of EUR 9.3 (7.7) billion of the contractual service margin was attributable to the Reinsurance Division and EUR 2.8 (2.6) billion to the Retail Germany Division.

Equity

Changes in equity

Group equity (equity excluding non-controlling interests) increased by EUR 589 million (5.6%) against 31 December 2023. This is partially due to net income, EUR 1,090 (827) million of which is attributable to our shareholders and which was allocated in full to retained earnings. It was offset by the EUR 607 (507) million dividend payment to the shareholders of Talanx AG in May of the reporting period.

In addition, accumulated other comprehensive income (other reserves) changed by EUR –21 million to EUR –590 million in comparison to 31 December 2023. The change in other reserves was primarily the result of the positive development of insurance financial income/expenses from insurance contracts issued (increase of EUR 908 million) and the offsetting effect from the change in unrealised gains on investments (decrease of EUR 925 million).

CHANGE IN EQUITY

EUR million	30.06.2024	31.12.2023	Change	+/- %
Subscribed capital	323	323	—	—
Capital reserves	1,685	1,685	—	—
Retained earnings	9,618	9,050	568	6.3
Accumulated other comprehensive income and other reserves	–590	–611	21	3.4
Group equity	11,036	10,447	589	5.6
Equity attributable to non-controlling interests	6,569	6,347	222	3.5
Total	17,605	16,793	811	4.8

EQUITY BY DIVISION INCLUDING NON-CONTROLLING INTERESTS

EUR million	30.06.2024	31.12.2023
Division		
Industrial Lines	3,035	2,664
of which non-controlling interests	—	—
Retail Germany	1,730	1,527
of which non-controlling interests	53	65
Retail International	3,729	3,211
of which non-controlling interests	426	422
Reinsurance	11,461	10,981
of which non-controlling interests	6,212	5,982
Corporate Operations	–2,203	–1,419
of which non-controlling interests	—	—
Consolidation	–148	–169
of which non-controlling interests	–123	–122
Total equity	17,605	16,793
Group equity	11,036	10,447
Non-controlling interests	6,569	6,347

Debt analysis

Subordinated liabilities amount to EUR 4.5 (5.3) billion as at the reporting date.

On 18 September 2023, Talanx AG drew down a EUR 750 million credit line in the form of a subordinated bond under the master agreement concluded with HDI V.a.G. in 2021. This credit line was repaid in full as at the reporting date.

Further information can be found in the Notes, Note 9 “Subordinated liabilities”.

On 2 May 2024, Talanx AG concluded an agreement with a bank syndicate for a revolving credit facility with a value of EUR 250 million. The term of this agreement is five years plus the option to extend this twice for a further year. These had not been drawn down as at the end of the reporting period.

On 15 April 2024, Talanx AG issued a senior unsecured bond with a value of EUR 750 million as part of a private placement. The bond's sole subscriber was HDI V.a.G. The issued bond is listed on the Luxembourg Stock Exchange, matures on 23 July 2026, has a fixed coupon of 2.5% per annum and was issued at a price of 97.798%.

Further information can be found in the Notes, Note 11 “Notes payable and loans”.

Other reports and declarations

Risk report

Risk environment

Our 2023 annual report describes our risk profile and the various types of risk in accordance with German Accounting Standard GAS 20. Risk reporting in this half-yearly financial report focuses on relevant changes to the risk position that have occurred since Talanx's 2023 Group annual report was prepared.

The summary of the overall risk position remains unchanged in this respect; there continues to be no discernible concrete risks that could have a material adverse effect on the Group's assets, liabilities, financial position or financial performance. The Talanx Group has established a functioning, appropriate system of governance and risk management, which is consistently refined and corresponds to demanding quality requirements and standards. We are therefore able to identify our risks in a timely manner, and to manage them effectively.

The following risks – listed in order of their importance – continue to determine the Group's overall risk profile: investment risks, premium and reserve risk in property/casualty insurance, natural catastrophe risk, life insurance underwriting risk, operational risk and default risk. Diversification is particularly important for managing our overall risk. We are broadly based both geographically and in terms of our business services. As a result, we consider ourselves to be well positioned to handle even an accumulated materialisation of risks.

Within market risk, credit risk is particularly important to us. It is mitigated and continuously monitored via Talanx's system of limits and thresholds and via the segment- and company-specific investment guidelines. Limits are set at portfolio, issuer/counterparty and in some cases also at asset class level, ensuring a broad mix and spread within the portfolio. Currency risk, particularly in relation to the US dollar, is also a significant factor within market risk. As changes in exchange rates can lead to incongruities between assets and liabilities, liabilities in foreign currencies are offset by assets in the same currency in order to limit the risk.

In terms of liquidity risk, we still assume that we would be able to comply with even relatively large, unexpected payout requirements within the required time frame.

There are no material changes to the estimates for operational risk.

Material external factors that affect risk management

Armed conflicts such as those currently taking place in Ukraine and the Middle East generally lead to uncertainty and greater volatility on capital markets. The resulting economic turbulence can hurt our customers, our subsidiaries and the Group. We are also monitoring developments in other regions of the world, in particular the consequences of a possible armed conflict between China and Taiwan as well as the policy of isolationism being pursued by individual EU member states and – depending on the outcome of the upcoming election – possibly in the United States.

Risks from current or future armed conflicts may particularly arise as a result of unforeseeable downstream effects and economic developments. Direct exposure, in terms of underwriting and investments, is moderate in the regions where armed conflicts are currently taking place.

The impact on the underwriting risk and investments as a whole is highly dependent on macroeconomic performance and on how business development progresses. In particular, risks can arise as a result of unforeseeable downstream effects or further escalations. For example, there could be declines in premiums and losses from cyber-attacks or business interruption in connection with supply chain risks. Current developments include legal proceedings regarding leased aircraft that were located in Russia at the time war broke out and have not been returned since. We maintain close contact with both our customers and with intermediaries to stay up to date with important developments.

Many years of extremely low capital market interest rates, combined with the level of interest guarantees in insurance contracts, are continuing to pose substantial challenges to some areas of life insurance on account of the long-term investment structure.

The considerable rise in interest rates last year significantly reduced the fair values of investments, reducing the coverage of underwriting liabilities in terms of fair value (under German HGB accounting guidelines). However, we assume that shortfalls in the fair values of held-to-maturity financial instruments due exclusively to interest rates will continue to be classified as unproblematic for supervisory purposes. In the event of a fall in interest rates after the reporting date and possible further falls in the further course of the year, the unrealised losses are likely to decrease. In the event of a further rise in interest rates, on the other hand, it is likely that further unrealised losses would build up. Coverage of underwriting liabilities in terms of carrying amount and fair value is being closely monitored.

There is also a heightened lapse risk in the event of further interest rate increases. In the event of a significant increase in lapse rates, life insurers could possibly be forced to sell investments that have significantly lost market value due to the rise in interest rates in order to finance surrender payments due. Unrealised losses would be realised as a result. The unrealised losses were not subject to unscheduled amortisation as they are essentially interest-induced and are therefore not considered to be permanent. The lapse situation is monitored on an ongoing basis; appropriate measures are taken, if necessary.

Likewise, political and macroeconomic uncertainty, on both existing core markets and our target and future markets, pose risks to our assets, liabilities, financial position and financial performance.

Large loss events in various regions of the world had an impact on the Talanx Group. In terms of natural disasters, the first half of 2024 saw flood events in southern Germany in May and June, in Brazil in April and May and in Dubai in April. With regard to man-made large losses, the unrest in New Caledonia is worth mentioning, while the expected losses from the bridge collapse in Baltimore are still comfortably covered by the remaining large loss budget, although they still cannot be quantified due to the as yet unresolved question of culpability.

Furthermore, there is uncertainty regarding the development of the legal framework for our business activities in all the countries in which the Group operates. This continues to pose specific legal risks for our German life insurance companies. This also includes tax risks relating to the handling of certain capital investment instruments in the course of company audits as well as the handling in the annual financial statements of the companies in question.

Another specific risk is the political-economic situation in Italy, as the Group also holds direct investments in Italian securities that could be vulnerable to impairment. The scope and risks of these investments are limited by the internal system of limits and thresholds and by concentration/counterparty limits.

Outlook

Economic environment

The global economy will continue to face a variety of challenges in the coming quarters, which are likely to result in a fragile growth situation. In addition to the wars in Ukraine and the Middle East, geopolitical tensions (including China/Taiwan) and increasing restrictions on cross-border trade, the tightening of monetary policy in response to the sharp rise in inflation following the COVID-19 pandemic is particularly noteworthy. Its economic after-effects, for example in terms of banks' more cautious lending practices, continue to be clearly noticeable and are resulting in a subdued growth environment.

We expect the economic slowdown in the United States to continue in the coming quarters, although a comparatively robust labour market and the return of purchasing power accompanied by solid wage growth and declining inflation should prevent a severe recession. The presidential election in the United States in November poses an additional risk. In the eurozone, it is likely that the worst of the economic downturn is over. However, in view of the subdued global economic outlook, continued strong but weakening fiscal support and a historically high level of economic policy uncertainty (including in France), economic development is only expected to be modest. In view of a slowly shrinking population, economic growth in China is likely to stabilise at a level slightly below the level prior to the COVID-19 pandemic, with the path highly dependent on the Chinese government's willingness to support the economy.

Capital markets

Declining inflation rates in the United States and the eurozone are enabling central banks to respond to the weak economic environment to a limited extent. While the ECB already lowered its key interest rates for the first time since 2019 in June 2024, the Fed is likely to follow suit this autumn and also begin a gradual cycle of interest rate cuts. However, as inflation is unlikely to return to the low levels of the years prior to 2020 due to structural developments (including demographics, deglobalisation, and climate change), the scope for interest rate cuts remains limited. Both the equity and bond markets are therefore likely to see slight gains at best over the remainder of the year. Headwinds for the bond markets are also resulting from declining purchases by central banks and high government financing requirements.

Insurance industry

Overall, insurers expect significant premium growth both this year and next. On the investment side, the positive development of the equity market driven by the AI hype and valuation increases as well as rising bond yields continue to inspire confidence.

Anticipated financial development of the Group

We are making the following assumptions:

- moderate global economic growth
- inflation still high
- end of cycle of interest rate hikes
- no sudden upheavals on the capital markets
- no exchange rate shocks
- no significant fiscal or regulatory changes
- no extraordinarily high number of large losses
- no escalation of geopolitical tension

At the half-year point, we issue forecasts for the Talanx Group and its divisions for the key figures the Group uses to manage its business.

Talanx Group

MANAGEMENT METRICS

EUR billion	Outlook for 2024 on the basis of 6M 2024	Outlook for 2024 on the basis of Q1 2024	Forecast for 2024 from the 2023 Annual Report
Insurance revenue (adjusted for currency effects)	high single-digit percentage	high single-digit percentage	high single-digit percentage
Group net income	> 1.7	> 1.7	> 1.7
Return on equity in %	~15	~15	~15

Talanx can look back on an exceptionally strong first half of the year. The company is highly confident that it will generate Group net income of well over EUR 1,700 million in 2024. As with every forecast, this is also subject to the proviso that large losses do not significantly exceed the large loss budget, that there is no material turbulence on the capital markets and that there are no significant exchange rate fluctuations. Due to the Group's excellent business performance to date, the intention is to review the forecast after the third quarter. In the third quarter, results fluctuate more strongly than in other quarters of the year, depending on claims trends. This is particularly attributable to the hurricane season, which peaks in this quarter. This means that it will be possible to make more stable estimates of the full-year result after the end of the third quarter.

Industrial Lines

MANAGEMENT METRICS FOR THE INDUSTRIAL LINES DIVISION

%	Outlook for 2024 on the basis of 6M 2024	Outlook for 2024 on the basis of Q1 2024	Forecast for 2024 from the 2023 Annual Report
Growth of insurance revenue (adjusted for currency effects)	high single-digit percentage	high single-digit percentage	high single-digit percentage
Combined ratio (net/gross)	< 93	< 93	< 93
Return on equity	~ 13	~ 13	~ 13

Retail Germany

Property/Casualty Insurance

MANAGEMENT METRICS FOR THE RETAIL GERMANY DIVISION – PROPERTY/CASUALTY INSURANCE SEGMENT

%	Outlook for 2024 on the basis of 6M 2024	Outlook for 2024 on the basis of Q1 2024	Forecast for 2024 from the 2023 Annual Report
Growth of insurance revenue	stable	stable	stable
Combined ratio (net/gross)	< 98	< 98	< 98

Life Insurance

MANAGEMENT METRICS FOR THE RETAIL GERMANY DIVISION – LIFE INSURANCE SEGMENT

%	Outlook for 2024 on the basis of 6M 2024	Outlook for 2024 on the basis of Q1 2024	Forecast for 2024 from the 2023 Annual Report
Growth of insurance revenue	stable	stable	stable
New business value (net) in EUR million	> 300	> 300	> 300

Retail Germany as a whole

MANAGEMENT METRIC FOR THE RETAIL GERMANY DIVISION AS A WHOLE

%	Outlook for 2024 on the basis of 6M 2024	Outlook for 2024 on the basis of Q1 2024	Forecast for 2024 from the 2023 Annual Report
Return on equity	> 10	> 10	> 10

Retail International

MANAGEMENT METRICS FOR THE RETAIL INTERNATIONAL DIVISION

%	Outlook for 2024 on the basis of 6M 2024	Outlook for 2024 on the basis of Q1 2024	Forecast for 2024 from the 2023 Annual Report
Growth of insurance revenue (adjusted for currency effects, property/casualty insurance)	clear double-digit growth	low double-digit growth	low double-digit growth
Combined ratio (net/gross, property/casualty insurance)	< 95	< 95	< 95
Growth of insurance revenue (adjusted for currency effects, life insurance)	clear double-digit growth	mid single-digit percentage	mid single-digit percentage
Return on equity	> 10	> 8.5	> 8.5

In our forecast for 2024 in the 2023 annual report for the Retail International Division, we had expected growth of insurance revenue in the low double-digit percentage range for our property/casualty insurance business and in the mid single-digit percentage range for our life insurance business (adjusted for currency effects). This forecast was based on the expectation that the acquisition of the Liberty companies in Latin America in 2023 would not be legally finalised until the second quarter with regard to the national companies in Chile, Colombia and Ecuador. As this has now actually taken place with effect from 1 March 2024, we are now assuming – also buoyed by a favourable market environment in the Latin American markets – clear double-digit growth of insurance revenue for both our property/casualty insurance business and our life insurance business (adjusted for currency effects) and now expect to be able to achieve a return on equity of more than 10% instead of a return on equity of more than 8.5%.

Reinsurance

Property/Casualty Reinsurance

MANAGEMENT METRICS FOR THE REINSURANCE DIVISION – PROPERTY/CASUALTY REINSURANCE SEGMENT

%	Outlook for 2024 on the basis of 6M 2024	Outlook for 2024 on the basis of Q1 2024	Forecast for 2024 from the 2023 Annual Report
Combined ratio (net/net)	< 89	< 89	< 89

Life/Health Reinsurance

MANAGEMENT METRICS FOR THE REINSURANCE DIVISION – LIFE/HEALTH REINSURANCE SEGMENT

	Outlook for 2024 on the basis of 6M 2024	Outlook for 2024 on the basis of Q1 2024	Forecast for 2024 from the 2023 Annual Report
%			
Insurance service result	> 850	> 850	> 850

Reinsurance Division as a whole

MANAGEMENT METRICS FOR THE REINSURANCE DIVISION AS A WHOLE

	Outlook for 2024 on the basis of 6M 2024	Outlook for 2024 on the basis of Q1 2024	Forecast for 2024 from the 2023 Annual Report
%			
Growth of insurance revenue (adjusted for currency effects)	> 5	> 5	> 5
Return on equity	~ 19	~ 19	~ 19

Assessment of future opportunities and challenges

Opportunities have not changed significantly compared with the 2023 reporting period. For further information, please refer to Talanx's 2023 Group Annual Report.

Interim consolidated financial statements

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Consolidated balance sheet

as at 30 June 2024

ASSETS

EUR million	Notes		30.06.2024	31.12.2023
A. Intangible assets	1			
a. Goodwill			1,649	1,611
b. Other intangible assets			762	782
			2,410	2,393
B. Insurance contract assets	10		1,012	1,049
C. Reinsurance contract assets	2		7,498	7,074
D. Investments				
a. Investment property	7		6,333	6,230
b. Shares in affiliated companies, associated companies, joint ventures and participating interests			3,426	3,355
c. Other financial instruments				
i. Financial instruments measured at amortised cost	3/6	942		954
ii. Financial instruments measured at fair value through other comprehensive income	4/6/7	112,167		109,210
iii. Financial instruments measured at fair value through profit or loss	5/7	15,560		15,276
f. Other investments			350	366
Investments for own risk			138,778	135,390
E. Investments for the account and risk of life insurance policyholders			13,625	12,478
Investments			152,403	147,868
F. Cash at banks, cheques and cash-in-hand			4,088	5,102
G. Deferred tax assets			1,336	1,358
H. Other assets	7		5,208	4,483
I. Non-current assets and assets of disposal groups classified as held for sale ¹			16	20
Total assets			173,972	169,347

¹ For further information, see the "Non-current assets and disposal groups held for sale" section of these Notes.

EQUITY AND LIABILITIES

EUR million	Notes	30.06.2024		31.12.2023
A. Equity	8			
a. Subscribed capital ¹		323		323
b. Reserves		10,713		10,124
Equity excluding non-controlling interests		11,036		10,447
c. Non-controlling interests in equity		6,569		6,347
Total equity			17,605	16,793
B. Subordinated liabilities	9	4,512		5,262
C. Insurance contract liabilities	10	133,506		130,264
D. Reinsurance contract liabilities		557		737
E. Other provisions				
a. Provisions for pensions and other post-employment benefits		1,608		1,722
b. Provisions for taxes		987		770
c. Miscellaneous other provisions		988		1,081
			3,583	3,573
F. Liabilities				
a. Notes payable and loans	11	4,097		3,395
b. Other liabilities	7	7,764		7,027
			11,861	10,423
G. Deferred tax liabilities		2,325		2,271
H. Liabilities included in disposal groups classified as held for sale ²		24		25
Total liabilities/provisions			156,368	152,554
Total equity and liabilities			173,972	169,347

¹ The nominal amount is EUR 317 (317) million; the contingent capital is EUR 158 (158) million.

² For further information, see the "Non-current assets and disposal groups held for sale" section of the Notes.

Consolidated statement of income

for the period from 1 January to 30 June 2024

CONSOLIDATED STATEMENT OF INCOME

EUR million	Notes	6M 2024		6M 2023
1. Insurance revenue	12	23,606		20,862
2. Insurance service expenses		-19,957		-17,896
3. a. Expenses from reinsurance contracts held		-3,408		-3,227
b. Income from reinsurance contracts held		2,078		1,889
Insurance service result			2,320	1,627
4. a. Investment income for own risk		3,207		2,676
b. Investment expenses for own risk		-1,020		-950
Net investment income for own risk	13/14/15	2,186		1,726
<i>of which impairments and reversals of impairments on financial instruments</i>		4		9
<i>of which share of profit or loss of equity-accounted associates and joint ventures</i>		53		20
4. c. Investment income for the account and risk of life insurance policyholders		1,273		827
d. Investment expenses for the account and risk of life insurance policyholders		-25		-48
Net investment income for the account and risk of life insurance policyholders		1,248		779
Net investment income			3,434	2,506
5. a. Insurance finance income and expenses from insurance contracts issued (including currency effects)		-3,343		-1,532
b. Insurance finance income and expenses from reinsurance contracts held (including currency effects)		174		19
Net insurance financial result	13	-3,169		-1,513
Correction for currency result from net insurance financial result ¹		519		-232
Net insurance financial result before currency effects ¹			-2,651	-1,745
Net insurance financial and investment result before currency effects			784	760
6. a. Currency result on investments		490		-210
b. Currency result on net insurance financial result ¹		-519		232
c. Other currency result		-26		14
Net currency result			-55	36
7. a. Other income		498		247
b. Other expenses		-1,031		-713
Other income/expenses	16		-534	-466
Profit before goodwill impairments			2,515	1,957
8. Goodwill impairments			—	—
Operating profit/loss (EBIT)			2,515	1,957
9. Financing costs			-116	-120
10. Taxes on income			-692	-450
Net income			1,707	1,388
of which attributable to non-controlling interests			617	561
of which attributable to shareholders of Talanx AG			1,090	827
Earnings per share				
Basic earnings per share (EUR)			4.22	3.26
Diluted earnings per share (EUR)			4.22	3.26

¹ To illustrate the currency matching of technical liabilities by investments, the currency effects are first eliminated from the net insurance financial result by IFRS 17 and then shown in the currency result.

Consolidated statement of comprehensive income

for the period from 1 January to 30 June 2024

EUR million	6M 2024	6M 2023 ¹
Net income	1,707	1,388
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on pension provisions		
Gains (losses) for the period recognised in other comprehensive income	99	16
Tax income (expense)	-30	-8
	69	8
Unrealised gains and losses on investments (equity instruments)		
Gains (losses) for the period recognised in other comprehensive income	-58	68
Tax income (expense)	16	-18
	-42	50
Exchange differences on translating foreign operations		
Gains (losses) for the period recognised in other comprehensive income	7	-4
Tax income (expense)	1	-
	8	-3
Total items that will not be reclassified to profit or loss, net of tax	35	55
Items that may be reclassified subsequently to profit or loss		
Unrealised gains and losses on investments (debt instruments)		
Gains (losses) for the period recognised in other comprehensive income	-1,747	1,071
Reclassified to profit or loss	124	264
Tax income (expense)	481	-376
	-1,143	959
Insurance finance income or expenses from insurance contracts issued		
Gains (losses) for the period recognised in other comprehensive income	1,462	-1,036
Reclassified to profit or loss	-	-
Tax income (expense)	-335	277
	1,128	-759
Insurance finance income or expenses from reinsurance contracts held		
Gains (losses) for the period recognised in other comprehensive income	3	19
Reclassified to profit or loss	-	-
Tax income (expense)	-27	26
	-24	45
Exchange differences on translating foreign operations		
Gains (losses) for the period recognised in other comprehensive income	172	-82
Reclassified to profit or loss	1	-1
Tax income (expense)	-5	63
	169	-20
Changes from cash flow hedges		
Gains (losses) for the period recognised in other comprehensive income	-30	20
Reclassified to profit or loss	-7	-17
Tax income (expense)	10	-1
	-27	2
Changes from equity method measurement		
Gains (losses) for the period recognised in other comprehensive income	16	-13
Reclassified to profit or loss	-	-
Tax income (expense)	-	-
	16	-13
Total items that may be reclassified subsequently to profit or loss, net of tax	119	214
Other comprehensive income for the period, net of tax	154	269
Total comprehensive income for the period	1,860	1,657
of which attributable to non-controlling interests	750	580
of which attributable to shareholders of Talanx AG	1,111	1,077

¹ Adjusted in accordance with IAS 8, see 2023 Annual Report, "Accounting policies" section of the Notes.

Consolidated statement of changes in equity

EUR million	Subscribed capital	Capital reserves	Retained earnings	Unrealised gains and losses on investments
2024				
Balance at 01.01.2024	323	1,685	9,050	-5,897
Changes in ownership interest without a change in control	—	—	-3	—
Other changes in basis of consolidation	—	—	—	—
Net income	—	—	1,090	—
Other comprehensive income	—	—	—	-925
of which not eligible for reclassification	—	—	—	-38
of which actuarial gains or losses on pension provision	—	—	—	—
of which currency translation	—	—	—	—
of which unrealised gains and losses on investments (equity instruments)	—	—	—	-38
of which eligible for reclassification	—	—	—	-887
of which unrealised gains and losses on investments (debt instruments)	—	—	—	-887
of which finance gains and losses on insurance contracts issued	—	—	—	—
of which finance gains and losses on reinsurance contracts held	—	—	—	—
of which currency translation	—	—	—	—
of which change from cash flow hedges	—	—	—	—
of which change from equity method measurement	—	—	—	—
Total comprehensive income	—	—	1,090	-925
Capital decreases	—	—	—	—
Dividends to shareholders	—	—	-607	—
Unrealised gains and losses on disposal of investments (equity instruments) measured at fair value through other comprehensive income	—	—	83	—
Other changes outside profit or loss	—	—	5	—
Balance at 30.06.2024	323	1,685	9,618	-6,822

	Insurance finance income/expenses from insurance contracts issued	Insurance finance income/expenses from reinsurance contracts held	Other reserves			Equity attributable to shareholders of Talanx AG	Equity attributable to non-controlling interests	Total equity
			Currency translation gains/losses	Other changes in equity	Measurement gains/losses on cash flow hedges			
	6,273	8	-355	-508	-131	10,447	6,347	16,793
	—	—	—	—	—	-3	-7	-10
	—	—	—	—	—	—	3	3
	—	—	—	—	—	1,090	617	1,707
	908	-21	17	69	-28	21	133	154
	—	—	5	64	—	30	5	35
	—	—	—	64	—	64	5	69
	—	—	5	—	—	5	4	8
	—	—	—	—	—	-38	-4	-42
	908	-21	13	5	-28	-10	128	119
	—	—	—	—	—	-887	-256	-1,143
	908	—	—	—	—	908	220	1,128
	—	-21	—	—	—	-21	-3	-24
	—	—	13	—	—	13	156	169
	—	—	—	—	-28	-28	—	-27
	—	—	—	5	—	5	11	16
	908	-21	17	69	-28	1,111	750	1,860
	—	—	—	—	—	—	-1	-1
	—	—	—	—	—	-607	-525	-1,132
	—	—	—	—	—	83	—	83
	—	—	—	—	—	5	2	7
	7,180	-12	-338	-439	-159	11,036	6,569	17,605

EUR million	Subscribed capital	Capital reserves	Retained earnings	Unrealised gains and losses on investments
2023				
Balance at 01.01.2023¹	317	1,394	7,998	-8,583
Changes in ownership interest without a change in control	—	—	—	—
Other changes in basis of consolidation	—	—	—	—
Net income	—	—	827	—
Other comprehensive income	—	—	—	787
of which not eligible for reclassification	—	—	—	44
of which actuarial gains or losses on pension provision	—	—	—	—
of which currency translation	—	—	—	—
of which unrealised gains and losses on investments (equity instruments)	—	—	—	44
of which eligible for reclassification	—	—	—	743
of which unrealised gains and losses on investments (debt instruments)	—	—	—	743
of which finance gains and losses on insurance contracts issued	—	—	—	—
of which finance gains and losses on reinsurance contracts held	—	—	—	—
of which currency translation	—	—	—	—
of which change from cash flow hedges	—	—	—	—
of which change from equity method measurement	—	—	—	—
of which other changes	—	—	—	—
Total comprehensive income	—	—	827	787
Capital increases	—	—	—	—
Dividends to shareholders	—	—	-507	—
Unrealised gains and losses on disposal of investments (equity instruments) measured at fair value through other comprehensive income	—	—	1	—
Other changes outside profit or loss	—	—	3	—
Balance at 30.06.2023	317	1,394	8,322	-7,796

¹ Adjusted in accordance with IAS 8, see 2023 Annual Report, "Accounting policies" section of the Notes.

Other reserves								
Insurance finance income/expenses from insurance contracts issued	Insurance finance income/expenses from reinsurance contracts held	Currency translation gains/losses	Other changes in equity	Measurement gains/losses on cash flow hedges	Equity attributable to shareholders of Talanx AG	Equity attributable to non-controlling interests	Total equity	
8,372	-11	-307	-438	-102	8,640	5,692	14,332	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-10	-10	
-	-	-	-	-	827	561	1,388	
-608	22	45	-	4	250	19	269	
-	-	-3	7	-	48	6	55	
-	-	-	7	-	7	1	8	
-	-	-3	-	-	-3	-	-3	
-	-	-	-	-	44	6	50	
-608	22	48	-7	4	202	13	214	
-	-	-	-	-	743	216	959	
-608	-	-	-	-	-608	-151	-759	
-	22	-	-	-	22	23	45	
-	-	48	-	-	48	-68	-20	
-	-	-	-	4	4	-2	2	
-	-	-	-7	-	-7	-6	-13	
-	-	-	-	-	-	-	-	
-608	22	45	-	4	1,077	580	1,657	
-	-	-	-	-	-	1	1	
-	-	-	-	-	-507	-429	-935	
-	-	-	-	-	1	-	1	
-	-	-	-	-	3	1	4	
7,765	11	-262	-438	-98	9,214	5,835	15,049	

Consolidated cash flow statement

for the period from 1 January to 30 June 2024

EUR million	6M 2024	6M 2023 ⁵
I. 1. Net income	1,707	1,388
I. 2. Changes in insurance contracts issued	2,284	4,066
I. 3. Changes in reinsurance contracts held	-465	118
I. 4. Changes in other receivables and liabilities	294	243
I. 5. Other non-cash expenses and income (including income tax expense/income)	251	-1,348
I. Cash flows from operating activities^{1,2}	4,071	4,468
II. 1. Cash outflows for the purchase of real estate	-195	-240
II. 2. Cash inflows from the sale of real estate	37	37
II. 3. Cash outflows for the purchase of unconsolidated companies	-413	-5
II. 4. Cash inflows from the sale of unconsolidated companies	399	1
II. 5. Cash outflows for the purchase of consolidated companies	-390	-131
II. 6. Cash inflows from the sale of consolidated companies	—	62
II. 7. Cash outflows for the purchase of investments measured at amortised cost	-3	-114
II. 8. Cash inflows from the sale of investments measured at amortised cost	19	65
II. 9. Cash outflows for the purchase of investments measured at fair value through other comprehensive income	-20,665	-18,085
II. 10. Cash inflows from the sale of investments measured at fair value through other comprehensive income	17,766	17,631
II. 11. Cash outflows for the purchase of investments measured at fair value through profit or loss	-4,047	-1,826
II. 12. Cash inflows from the sale of investments measured at fair value through profit or loss	3,738	1,736
II. 13. Changes in short-term investments	-90	-1,226
II. 14. Cash outflows for the purchase of other investments	-6,924	-6,630
II. 15. Cash inflows from the sale of other investments	6,949	6,528
II. 16. Other changes	38	-129
II. Cash flows from investing activities	-3,781	-2,327
III. 1. Proceeds from long-term liabilities	758	66
III. 2. Repayments of long-term liabilities	-911	-1,439
III. 3. Cash inflows from capital increases	—	1
III. 4. Cash outflows from capital reductions	-1	—
III. 5. Changes in ownership interests in a subsidiary that do not result in a loss of control	-10	—
III. 6. Dividends paid	-1,132	-935
III. Cash flows from financing activities²	-1,296	-2,308
Net change in cash and cash equivalents (I. + II. + III.)	-1,005	-167
Cash and cash equivalents at the start of the reporting period	5,102	3,596
Effect of exchange rate changes on cash and cash equivalents	-8	8
Effect of changes in the basis of consolidation on cash and cash equivalents³	—	—
Cash and cash equivalents at the end of the reporting period⁴	4,088	3,438

¹ EUR 324 (202) million of "income taxes paid", EUR 143 (154) million of "dividends received" and EUR 2.317 (1.923) million of "interest received" are allocated to the "Cash flows from operating activities" item. Dividends received also include quasi-dividend profit-sharing payments from investment funds and private equity firms.

² EUR 53 (74) million of the "interest paid" is attributable to "Cash flows from financing activities" and EUR 298 (175) million to "Cash flows from operating activities".

³ This item relates primarily to changes in the basis of consolidation other than disposals and acquisitions.

⁴ The "Cash and cash equivalents at the end of the reporting period" item includes EUR 0 (0) million in cash and cash equivalents held by recognised disposal groups as at the reporting date.

⁵ Adjusted in accordance with IAS 8, see 2023 Annual Report, "Accounting policies" section of the Notes.

The accompanying Notes form an integral part of the consolidated financial statements.

Notes and disclosures

Basis of preparation and application of IFRSs

General information

The consolidated half-yearly financial report as at 30 June 2024 was prepared in accordance with IAS 34 and with the International Financial Reporting Standards (IFRSs) applicable to interim reporting, as adopted by the European Union.

The accounting policies applied correspond to those of the previous consolidated financial statements and the corresponding interim reporting period, with the exception of the first-time application of new and amended standards, as explained in the section “Application of new and amended standards/interpretations”.

The interim financial statements were prepared in euros (EUR). The amounts shown have been rounded to millions of euros (EUR million), unless figures in thousands of euros (EUR thousand) are required for reasons of transparency. Rounding differences may occur in the tables presented in this report. Amounts in brackets refer to the prior year.

Preparation of the consolidated financial statements requires management to make judgements, assumptions and estimates. These relate to the accounting policies applied, the carrying amounts of assets, liabilities, income and expenses that are recognised, and the disclosures made on contingent liabilities. Actual results may differ from these estimates. Please also refer to our comments in Note 10.

Estimates and the assumptions underlying them are reassessed continuously; they are based on past experience and on expectations of future events that currently appear reasonable. Revisions of estimates are recognised prospectively.

In line with IAS 34.41, we make greater use of estimation methods and assumptions when preparing the Group’s interim financial reports than in our annual financial reporting. No amendments to standards with a material impact on the Group’s assets, liabilities, financial position and financial performance were made in the current interim reporting period. Intra-year calculations of the tax expense (domestic income taxes, comparable taxes on income at foreign subsidiaries and changes in deferred taxes) apply the expected effective tax rate for the full year to net income. Extrapolations of pension provisions during the year recognise actuarial assessments of the effect of interest rate changes on pension liabilities as at the end of the quarter in other comprehensive income (other reserves). Other actuarial inputs are not updated in the course of the year.

Risks relating to the consequences of climate change are highly important for insurance companies’ business models. Estimating the probability of occurrence of, and the size of the losses associated with, climate-change driven storms, flooding and droughts is a key element of our risk management system. It significantly impacts our underwriting policy in the area of natural hazard risks and requires adequate levels of risk capital to be held. In addition, physical risks such as extreme weather events and their consequences, and long-term changes in the climate and environmental conditions (e.g. amounts of rainfall, rising sea levels and increasing average temperatures), can affect the value of property that we hold or the measurement of securities in our investment portfolio.

Apart from the impact of these physical risks, measurement of our investment portfolio is also subject to transition risks resulting from climate change. Transition risks are defined as risks associated with the consequences of climate change that result from the shift to a low-carbon economy. This shift is essentially being initiated and underpinned by political regulation. Should the latter have an adverse effect on the issuers of the equities or corporate bonds in our investment portfolio, for example, this would also impact the value of these securities.

Overall, the evaluation of climate risks is taken into account when testing for impairment of non-financial assets, including goodwill in accordance with IAS 36, determining useful lives and the residual value of assets in accordance with IAS 16 or IAS 38, in the recognition and subsequent measurement of investments in accordance with IFRS 9 and when recognising provisions and disclosing contingent liabilities in accordance with IAS 37.

Estimation uncertainties also arose in the reporting period in connection with the conflict in Ukraine. We conducted probability-weighted scenario analyses for all relevant business lines, taking currently available market insights into account, and then used these analyses to develop our own estimates as a basis for our reserving process. The main business lines affected as at the reporting date were political violence and other property coverage, political risk, marine and aviation. As at 30 June 2024, the Group had significantly increased its provisions for this loss complex compared to the prior year. The range of potential claims scenarios remains high, which could result in substantially higher claims expenses in future if adverse developments were to occur or unfavourable court rulings be handed down; however, these are not expected at present. Legal uncertainties continue to exist, particularly in connection with the status of leased aircraft that are still in Russia. Transactions with Russian cedants are not being continued, in line with the sanctions in force.

Foreign exchange differences arising on translation of foreign operations

Transactions in foreign currencies are generally translated into the functional currency of the units of the company in question at the exchange rates prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies on the reporting date are translated into the functional currency using the exchange rate prevailing on the reporting date. Gains or losses arising from this translation are reported under the net currency result. Exchange rate gains and losses from non-monetary position (e.g. equity instruments) classified as FVOCI are recognised in other comprehensive income and cannot be subsequently transferred to profit or loss.

Foreign currency items (including goodwill) at foreign subsidiaries in countries that do not use the euro as their national currency are translated into euros at the middle rates at the end of the reporting period. Foreign currency items in the statement of income are translated at their average exchange rates. All resulting exchange differences on translating foreign operations that are not attributable to non-controlling interests are recognised in other comprehensive income and presented in equity in the currency translation reserve.

EXCHANGE RATES FOR OUR KEY FOREIGN CURRENCIES

EUR 1 corresponds to	Balance sheet (reporting date)		Statement of income (average)	
	30.06.2024	31.12.2023	6M 2024	6M 2023
AUD Australia	1.6073	1.6273	1.6406	1.6107
BRL Brazil	5.8832	5.3625	5.5072	5.4805
CAD Canada	1.4656	1.4651	1.4675	1.4586
CLP Chile	1,021.8900	974.1800	1,018.2271	877.7371
CNY China	7.7674	7.8454	7.8015	7.5131
COP Colombia	4,454.0700	4,265.9400	4,245.6614	4,950.2757
GBP United Kingdom	0.8461	0.8689	0.8556	0.8750
MXN Mexico	19.5635	18.7337	18.5589	19.6652
PLN Poland	4.3089	4.3386	4.3132	4.6201
TRY Türkiye	35.1922	32.6830	34.2253	21.8850
USD USA	1.0695	1.1051	1.0827	1.0785

Türkiye has been classified as hyperinflationary within the meaning of IAS 29 "Financial Reporting in Hyperinflationary Economies" for the purposes of financial reporting since the second quarter of 2022. As a result, companies that use the Turkish lira (TRY) as their functional currency must apply the provisions of IAS 29 for reporting periods ending on or after 30 June 2022. This means that the financial statements concerned are adjusted for the effects of inflation rather than recognised on the basis of historical cost. The consumer index used by the Turkish Statistical Institute (TURKSTAT) was 2,319.29 as at 30 June 2024 (31 December 2023: 1,859.38). Overall, a gain on the net monetary position of EUR 35 (26) million was recognised in other income/expenses for the period from 1 January to 30 June 2024. This includes a contribution to earnings after non-controlling interests of EUR +13 (+15) million.

Application of new and revised standards/interpretations

The Group applied the following revised IFRS standards as at 1 January 2024, which did not lead to any material effects on the consolidated financial statements:

- IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants
- IFRS 16 Leases: Lease Liability in a Sale and Leaseback
- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

Introduction of a global minimum tax

The Minimum Tax Act (abbreviated MinStG in German) came into force in Germany with effect from 1 January 2024. As a subgroup of the HDI Group, the Talanx Group falls within the scope of the regulations.

In accordance with the minimum taxation regulations, the Talanx Group is required to pay an additional tax for the difference between the effective tax rate per (tax) jurisdiction and the minimum tax rate of 15%.

To recognise deferred tax assets and liabilities and certain disclosure requirements in connection with the implementation of the global minimum tax, the Talanx Group applies the temporary exemption in accordance with IAS 12.

Based on the data from the HDI Group's 2023 qualified Country-by-Country Reporting (qCbCR) and the 2024 quarterly data, the Talanx Group was domiciled in 43 jurisdictions with entities relevant to the minimum tax rules in the reporting period and is subject to an effective tax burden of more than 15% in most of these jurisdictions. The impact analysis per jurisdiction revealed that for the 2024 financial year, a supplementary tax is not expected to be levied in 36 jurisdictions. An effective tax rate of less than 15% is expected in the jurisdictions of Bahrain, Bermuda, Cayman Islands, Hong Kong, South Korea, Hungary and Uruguay. The resulting impact on the effective tax rate of the HDI Group is expected to be in the low single-digit percentage range.

Standards, Interpretations and revisions to issued standards that were not yet effective in 2024 and that were not applied by the Group prior to their effective date

a) EU endorsement already granted

No revisions to standards were endorsed.

b) EU endorsement pending

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures: Financial Reporting – Classification and Measurement of Financial Instruments. These amendments clarify individual issues that were identified during the review following the introduction of the classification and measurement requirements of IFRS 9 Financial Instruments. The amendments generally come into force retrospectively for reporting periods beginning on or after 1 January 2026 and have not yet been adopted by the EU.

In April 2024, the IASB published IFRS 18 Presentation and Disclosures in Financial Statements. The standard replaces the previous IAS 1 Presentation of Financial Statements. IFRS 18 introduces defined subtotals and categories in the statement of income and sets out requirements for improving the aggregation or disaggregation of items in the financial statements. In addition, the standard formulates requirements for disclosures in the notes on management-defined performance measures (abbreviated MPMs) and introduces targeted improvements to the statement of cash flows by amending IAS 7. The standard is to be applied retrospectively for financial years beginning on or after 1 January 2027 and has not yet been adopted by the EU.

In addition, the following new standards and amendments to standards were adopted which are not expected to have any material impact on the Group's assets, liabilities, financial position, and financial performance:

APPLICATION OF NEW STANDARD AMENDMENTS

Standard/project	Title of the standard/interpretation/amendment	Date of initial application ¹
IAS 21 The Effects of Changes in Foreign Exchange Rates	Clarification of accounting in the event of a lack of exchangeability	1 January 2025
IFRS 19 Subsidiaries without Public Accountability: Disclosures		1 January 2027

¹ Effective for financial years beginning on or after the date stated.

Segment reporting

The description of the business activities, the divisions and the reportable segments of the Talanx Group in the 2023 Annual Report, as well as of the products and services with which earnings are generated, is still accurate as at the end of the reporting period. The general

information contained therein on segment reporting and the statements on the measurement basis for the results of the reportable segments remain valid.

CONSOLIDATED BALANCE SHEET BY DIVISION AS AT 30 JUNE 2024

EUR million

Assets	Industrial Lines		Retail Germany	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
A. Intangible assets	172	172	289	297
B. Insurance contract assets	64	82	—	—
C. Reinsurance contract assets	7,339	7,285	181	189
D. Investments for own risk	14,440	13,096	46,923	47,332
E. Investments for the account and risk of life insurance policyholders	—	—	13,260	12,106
F. Cash at banks, cheques and cash-in-hand	1,054	1,089	1,228	1,823
G. Deferred tax assets	56	56	365	299
H. Other assets	1,393	943	614	646
I. Non-current assets and assets of disposal groups classified as held for sale ¹	18	18	—	—
Total assets	24,536	22,741	62,861	62,691

¹ For further information, see the "Non-current assets and disposal groups held for sale" section of the Notes.

CONSOLIDATED BALANCE SHEET BY DIVISION AS AT 30 JUNE 2024

EUR million

Equity and liabilities	Industrial Lines		Retail Germany	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
B. Subordinated liabilities	410	410	111	194
C. Insurance contract liabilities	18,654	17,558	59,344	58,987
D. Reinsurance contract liabilities	66	59	66	69
E. Other provisions	748	738	411	396
F. Liabilities	1,345	1,068	1,145	1,473
G. Deferred tax liabilities	255	219	52	46
H. Liabilities included in disposal groups classified as held for sale ¹	24	25	—	—
Total liabilities/provisions	21,501	20,077	61,131	61,165

	Retail International		Reinsurance		Corporate Operations		Consolidation		Total	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	1,724	1,692	173	174	52	58	—	—	2,410	2,393
	26	26	966	1,020	—	—	-44	-78	1,012	1,049
	1,271	1,038	1,477	1,526	2,036	1,942	-4,804	-4,906	7,498	7,074
	14,780	14,235	62,591	60,722	2,757	2,632	-2,712	-2,627	138,778	135,390
	364	372	—	—	—	—	—	—	13,625	12,478
	460	472	1,021	1,016	324	703	—	—	4,088	5,102
	321	301	575	631	224	242	-205	-171	1,336	1,358
	907	867	4,319	4,557	698	1,180	-2,723	-3,711	5,208	4,483
	1	4	—	—	—	—	-2	-2	16	20
	19,853	19,008	71,122	69,645	6,091	6,757	-10,491	-11,495	173,972	169,347

	Retail International		Reinsurance		Corporate Operations		Consolidation		Total		
	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023	
	101	104	3,600	3,587	1,247	1,996	-957	-1,029	4,512	5,262	
	11,695	11,444	45,505	44,239	2,959	2,759	-4,651	-4,724	133,506	130,264	
	5	—	496	699	—	—	-76	-90	557	737	
	471	461	693	610	1,260	1,369	—	—	3,583	3,573	
	3,709	3,659	7,237	7,431	2,828	2,052	-4,403	-5,260	11,861	10,423	
	143	129	2,130	2,100	—	—	-256	-223	2,325	2,271	
	—	—	—	—	—	—	—	—	24	25	
	16,124	15,797	59,661	58,666	8,293	8,176	-10,343	-11,327	156,368	152,554	
									Equity²	17,605	16,793
									Total liabilities	173,972	169,347

¹ For further information, see the "Non-current assets and disposal groups held for sale" section of the Notes.

² Equity attributable to Group shareholders and non-controlling interests.

CONSOLIDATED STATEMENT OF INCOME BY DIVISION/REPORTABLE SEGMENT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024¹

EUR million	Industrial Lines		Retail Germany	
	6M 2024	6M 2023	6M 2024	6M 2023
1. Insurance revenue	4,798	4,221	1,795	1,722
of which attributable to other divisions/segments	33	28	34	48
of which attributable to third parties	4,765	4,193	1,761	1,675
2. Insurance service expenses	-3,866	-3,501	-1,572	-1,478
3. a. Expenses from reinsurance contracts held	-1,700	-1,499	-265	-306
b. Income from reinsurance contracts held	1,197	1,071	187	240
Insurance service result	429	292	145	179
4. a. Investment income for own risk	312	235	1,012	945
b. Investment expenses for own risk	-126	-127	-370	-414
Net investment income for own risk	186	108	642	531
<i>of which impairments on financial instruments</i>	-1	—	-5	-3
<i>of which share of profit or loss of equity-accounted associates and joint ventures</i>	13	4	—	—
4. c. Investment income for the account and risk of life insurance policyholders	—	—	1,249	800
d. Investment expenses for the account and risk of life insurance policyholders	—	—	-20	-46
Net investment income for the account and risk of life insurance policyholders	—	—	1,229	754
Net investment income	186	108	1,872	1,285
5. a. Insurance finance income and expenses from insurance contracts issued (including currency effects)	-371	7	-1,837	-1,215
b. Insurance finance income and expenses from reinsurance contracts held (including currency effects)	177	-22	2	—
Net insurance financial result	-194	-15	-1,835	-1,215
Correction for currency result from net insurance financial result	77	-44	—	—
Net insurance financial result before currency effects	-118	-59	-1,835	-1,215
Net insurance financial and investment result before currency effects	68	49	36	70
6. a. Currency result on investments	59	-22	15	-10
b. Currency result on net insurance financial result	-77	44	—	—
c. Other currency result	-3	-17	—	-1
Net currency result	-21	5	15	-10
7. a. Other income	49	66	80	39
b. Other expenses	-220	-221	-132	-128
Other income/expenses	-171	-155	-52	-89
Profit before goodwill impairments	305	190	144	150
8. Goodwill impairments	—	—	—	—
Operating profit/loss (EBIT)	305	190	144	150
9. Financing costs	-5	-6	-3	-3
10. Taxes on income	-77	-34	-54	-53
Net income	223	151	87	93
of which attributable to non-controlling interests	—	—	5	5
of which attributable to shareholders of Talanx AG	223	151	82	88

¹ With the exception of the Retail Germany Division and the Reinsurance Division, the statements of income of the other divisions are the same as those of the reportable segments.

Retail International		Reinsurance		Corporate Operations		Consolidation		Total	
6M 2024	6M 2023	6M 2024	6M 2023	6M 2024	6M 2023	6M 2024	6M 2023	6M 2024	6M 2023
4,595	3,087	12,916	12,273	576	533	-1,074	-974	23,606	20,862
—	—	483	430	524	468	-1,074	-974	—	—
4,595	3,087	12,433	11,843	52	65	—	—	23,606	20,862
-4,068	-2,879	-10,656	-10,291	-475	-536	680	788	-19,957	-17,896
-441	-382	-1,658	-1,546	-436	-415	1,093	920	-3,408	-3,227
299	359	809	643	344	431	-758	-854	2,078	1,889
385	185	1,411	1,079	9	12	-59	-120	2,320	1,627
545	381	1,342	1,110	48	32	-52	-27	3,207	2,676
-186	-129	-314	-244	-69	-77	44	42	-1,020	-950
359	252	1,028	866	-20	-45	-8	15	2,186	1,726
-1	3	11	9	—	—	—	—	4	9
—	—	39	17	—	—	—	—	53	20
24	27	—	—	—	—	—	—	1,273	827
-5	-2	—	—	—	—	—	—	-25	-48
19	25	—	—	—	—	—	—	1,248	779
378	277	1,028	866	-20	-45	-8	15	3,434	2,506
-231	-184	-930	-145	-15	-17	40	23	-3,343	-1,532
43	56	-3	6	10	8	-55	-30	174	19
-188	-129	-933	-139	-5	-9	-15	-7	-3,169	-1,513
10	9	433	-203	-1	6	—	—	519	-232
-178	-120	-500	-342	-6	-2	-15	-7	-2,651	-1,745
200	157	528	524	-26	-47	-23	8	784	760
9	20	408	-205	—	7	—	—	490	-210
-10	-9	-433	203	1	-6	—	—	-519	232
7	-4	-31	36	1	—	—	—	-26	14
6	7	-57	34	2	1	—	—	-55	36
85	63	120	24	802	775	-639	-720	498	247
-252	-164	-332	-299	-771	-724	676	822	-1,031	-713
-167	-101	-212	-274	31	51	37	102	-534	-466
424	249	1,670	1,362	17	16	-45	-10	2,515	1,957
—	—	—	—	—	—	—	—	—	—
424	249	1,670	1,362	17	16	-45	-10	2,515	1,957
-36	-10	-63	-74	-55	-48	46	22	-116	-120
-126	-57	-446	-298	10	-4	—	-4	-692	-450
263	181	1,161	990	-29	-36	1	8	1,707	1,388
39	41	577	506	—	—	-3	9	617	561
224	141	585	484	-29	-36	4	-1	1,090	827

**CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE RETAIL GERMANY (PROPERTY/CASUALTY AND LIFE),
PROPERTY/CASUALTY REINSURANCE AND LIFE/HEALTH REINSURANCE REPORTABLE SEGMENTS
FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2024**

EUR million	Retail Germany – Property/Casualty		Retail Germany – Life		Property/Casualty Reinsurance		Life/Health Reinsurance	
	6M 2024	6M 2023	6M 2024	6M 2023	6M 2024	6M 2023	6M 2024	6M 2023
1. Insurance revenue	896	861	898	861	9,099	8,365	3,817	3,908
of which attributable to other divisions/segments	—	—	34	48	462	377	22	53
of which attributable to third parties	896	861	864	814	8,638	7,988	3,795	3,855
2. Insurance service expenses	-854	-790	-718	-688	-7,281	-6,896	-3,374	-3,395
3. a. Expenses from reinsurance contracts held	-67	-80	-198	-226	-1,205	-1,182	-454	-364
b. Income from reinsurance contracts held	28	42	159	198	350	310	459	333
Insurance service result	3	34	142	145	963	598	448	481
4. a. Investment income for own risk	72	72	940	872	1,080	832	261	279
b. Investment expenses for own risk	-22	-24	-347	-390	-264	-190	-50	-54
Net investment income for own risk	50	48	593	483	816	641	211	225
<i>of which impairments on financial instruments</i>	-2	—	-3	-3	9	6	2	3
<i>of which share of profit or loss of equity-accounted associates and joint ventures</i>	—	—	—	—	68	10	-29	7
4. c. Investment income for the account and risk of life insurance policyholders	—	—	1,249	800	—	—	—	—
d. Investment expenses for the account and risk of life insurance policyholders	—	—	-20	-46	—	—	—	—
Net investment income for the account and risk of life insurance policyholders	—	—	1,229	754	—	—	—	—
Net investment income	50	48	1,822	1,237	816	641	211	225
5. a. Insurance finance income and expenses from insurance contracts issued (including currency result)	-20	-8	-1,817	-1,208	-868	-45	-62	-100
b. Insurance finance income and expenses from reinsurance contracts held (including currency result)	1	—	1	1	5	-14	-8	19
Net insurance financial result	-19	-8	-1,816	-1,207	-863	-58	-70	-81
Correction for currency result from net insurance financial result	—	—	—	—	443	-226	-10	23
Net insurance financial result before currency effects	-19	-8	-1,816	-1,207	-420	-285	-80	-58
Net insurance finance and investment result before currency result	31	40	6	30	396	357	131	167
6. a. Currency result on investments	1	-1	14	-9	409	-203	-1	-2
b. Currency result on net insurance financial result	—	—	—	—	-443	226	10	-23
c. Other currency result	—	—	—	—	-40	36	8	—
Net currency result	1	-1	14	-9	-74	59	17	-25
7. a. Other income	21	9	59	30	108	15	12	9
b. Other expenses	-40	-43	-92	-85	-221	-187	-111	-111
Other income/expenses	-19	-34	-34	-55	-113	-172	-99	-102
Profit before goodwill impairments	16	39	128	111	1,173	841	497	521
8. Goodwill impairments	—	—	—	—	—	—	—	—
Operating profit/loss (EBIT)	16	39	128	111	1,173	841	497	521

OTHER SEGMENT INFORMATION

EUR million	Industrial Lines	Retail Germany – Property/ Casualty	Retail Germany – Life	Retail International	Property/ Casualty Reinsurance	Life/Health Reinsurance	Corporate Operations	Consolidation	Total
6M 2024									
Included in net investment income									
Current interest income incl. investment contracts	175	41	441	363	756	198	48	-51	1,970
Current interest expense	-1	–	–	-2	-7	-1	–	–	-11
Share of profit or loss of equity-accounted associates and joint ventures	13	–	–	–	68	-29	–	–	53
Depreciation of/impairment losses on investment property									
Depreciation	-2	–	–	-1	-30	–	–	–	-33
Depreciation of/impairment losses on infrastructure investments									
Depreciation	-3	-2	-11	–	–	–	–	–	-16
Impairment losses	–	–	–	–	–	–	–	–	–
Income from reversal of impairment losses	–	–	2	–	–	–	–	–	2
Other positions in profit or loss									
Other interest income	7	7	32	9	6	7	15	-8	74
Other interest expense	-11	-1	-15	-10	-21	-6	-19	13	-70
Depreciation and amortisation of/impairment losses on property, plant and equipment and intangible assets									
Depreciation and amortisation	-9	–	-1	-20	-6	-2	-19	–	-59
Impairment losses	–	–	–	–	–	–	–	–	–
Income from reversal of impairment losses on fixed assets	–	–	–	–	–	–	–	–	–
6M 2023									
Included in net investment income									
Current interest income incl. investment contracts	116	37	447	261	620	173	30	-26	1,656
Current interest expense	–	–	-1	-4	-6	–	–	–	-11
Share of profit or loss of equity-accounted associates and joint ventures	4	–	–	–	10	7	–	–	20
Depreciation of/impairment losses on investment property									
Depreciation	-2	–	–	-1	-27	–	–	–	-29
Depreciation of/impairment losses on infrastructure investments									
Depreciation	-3	-2	-11	–	–	–	–	–	-16
Impairment losses	–	–	–	–	–	–	–	–	–
Income from reversal of impairment losses	–	–	–	–	–	–	–	–	–
Other positions in profit or loss									
Other interest income	6	2	6	2	14	6	6	-5	38
Other interest expense	-11	-1	-9	-5	-21	-5	-18	9	-59
Depreciation and amortisation of/impairment losses on property, plant and equipment and intangible assets									
Depreciation and amortisation	-9	–	-1	-54	-11	-3	-18	–	-96
Impairment losses	-3	-1	–	–	–	–	–	–	-5
Income from reversal of impairment losses on fixed assets	–	–	–	–	–	–	2	–	2

Consolidation

Basis of consolidation

As at the reporting date, 150 (139) individual companies, 33 (32) investment funds, three (three) structured entities and an unchanged total of five sub-groups (including four foreign sub-groups) were fully consolidated in the Talanx consolidated financial statements as a corporate group (including associates), as were six (six) companies accounted for using the equity method and eight (nine) associates or joint ventures measured at fair value.

Significant changes in the basis of consolidation compared with year-end 2023 are presented in the following.

Significant additions and disposals of consolidated subsidiaries and other changes under company law

By way of a purchase agreement dated 27 May 2023, Inversiones HDI Limitada, Santiago, Chile, a wholly owned subsidiary of HDI International AG, Hannover, Germany (HINT), in the Retail International segment, acquired 100% of the shares in Liberty Compañía de Seguros Generales S.A. (Liberty Chile), Santiago, Chile, and (with minor minorities) all affiliated holding and service companies. Furthermore, as a result of this agreement, Saint Honoré Iberia S.L., Madrid, Spain, also a wholly owned Group subsidiary of HINT, acquired 100% of the shares in Liberty Seguros S.A. (Liberty Colombia), Bogotá, Colombia, and Liberty Seguros S.A. (Liberty Ecuador), Quito, Ecuador, along with all associated holding and service companies. Based on the agreements reached, the Group recognised the acquisition as at 1 March 2024 (date of initial consolidation). The purchase price hedged against exchange rate movements (EUR 443 million) was settled entirely in cash.

The acquisition resulted in goodwill of EUR 91 million, representing the long-term potential to significantly expand property insurance business and to benefit from significant synergies. In the tax accounts, this transaction does not result in any tax-deductible goodwill (share deal).

Acquisition-related costs of the transaction (EUR 9.2 million) are included in "Other income/expenses".

In total, assets were acquired with a value of EUR 880 million (excluding shares in affiliated companies) and liabilities with a value of EUR 525 million, which are broken down as follows:

FAIR VALUES OF ACQUIRED ASSETS AND ASSUMED LIABILITIES OF HDI LIBERTY COMPANIES AS AT 1 MARCH 2024

EUR million	Liberty Chile	Liberty Colombia	Liberty Ecuador	Holding- und Service-gesellschaften
Intangible assets	15	8	—	—
Reinsurance contracts assets	57	88	6	—
Investments	187	307	24	504
of which shares in affiliated companies (before consolidation)	—	—	—	499
Cash at banks, cheques and cash-in-hand	33	16	1	4
Deferred tax assets	26	19	—	3
Other assets	34	31	5	10
Total assets	352	469	37	521
Insurance contracts liabilities	115	221	11	—
Other provisions	15	31	2	9
Other liabilities	64	19	2	3
Deferred tax liabilities	—	31	2	—
Total liabilities	194	302	16	13
Acquired net assets (before consolidation)	158	167	21	508

The receivables included in "Other assets" do not contain any material irrecoverable amounts, meaning that the reported fair values of these receivables from ongoing business essentially correspond to the gross amounts. The intangible assets acquired primarily relate to acquired distribution networks and customer relationships. Contingent liabilities were identified in connection with the acquired company, which were recognised in accordance with IFRS 3.23 in the amount of EUR 10 million. Contingent consideration, assets for compensation and separate transactions within the meaning of IFRS 3 were not recognised.

The companies' insurance revenue was included in the financial statements at EUR 275 million and net income at EUR 28 million. The information required by IFRS 3 B64 (q) could not be disclosed as the accounting was only converted to IFRS at the time of initial consolidation.

Non-current assets held for sale and disposal groups

HDI Global SE, Hannover (Industrial Lines segment)

HDI Global SE, Hannover is planning to sell an insurance portfolio in the motor vehicle and marine insurance lines held by its branch in the Netherlands. The portfolio contains assets of EUR 16 (16) million and technical provisions of EUR 24 (25) million. The disposal relates to the strategic orientation in the Industrial Lines segment and is expected to take place in 2025. No valuation adjustments were required.

Real estate

We do not report any property holdings as held for sale as at the reporting date. In the prior year, we reported property portfolios amounting to EUR 4 million as held for sale.

Notes to the consolidated balance sheet – assets

(1) Intangible assets

INTANGIBLE ASSETS

EUR million	30.06.2024	31.12.2023
a. Goodwill	1,649	1,611
b. Other intangible assets	762	782
of which		
Software	249	250
Other		
Acquired distribution networks and customer relationships	297	298
Acquired brand names	46	50
Other	170	184
Total	2,410	2,393

(2) Reinsurance contract assets

Reconciliation of changes in the carrying amount

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

EUR million	Asset for remaining coverage – ceded		Asset for incurred claims – ceded			Total
	Excluding loss-recovery component	Loss-recovery component	Contracts not measured under the PAA	Contracts measured under the PAA		
				Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
2024						
Carrying amount of assets at the start of the reporting period	-738	12	3,923	3,726	151	7,074
Carrying amount of liabilities at the start of the reporting period	-1,730	—	966	26	1	-737
Net opening balance	-2,468	12	4,889	3,752	152	6,337
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	65	64	—	—	—	129
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Amounts payable to reinsurers						
Allocation of reinsurance premiums paid	-3,432	22	—	—	—	-3,411
Changes in the non-performance risk of reinsurers	3	—	—	—	—	3
Total amounts payable to reinsurers	-3,429	22	—	—	—	-3,408
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	—	-30	1,194	584	8	1,756
Amortisation of insurance acquisition cash flows	9	—	—	—	—	9
Recoveries and reversals of recoveries of losses on onerous underlying contracts	25	15	—	—	—	41
Adjustments to assets for incurred claims	—	—	148	131	-8	271
Changes in the non-performance risk of reinsurers	—	—	—	-1	—	-1
Total amounts recoverable from reinsurers	35	-14	1,342	714	1	2,078
Investment components	-31	—	31	—	—	—
Net income or expense from reinsurance contracts held	-3,425	7	1,373	714	1	-1,330
Insurance finance income and expenses from reinsurance contracts held	60	1	8	-2	—	67
Effect of movements in exchange rates	-86	—	82	14	—	10
Other changes	28	—	—	-29	—	—
Total changes in the statement of income and other comprehensive income	-3,422	8	1,464	697	1	-1,252
Cash flows						
Premiums paid	3,709	—	—	—	—	3,709
Payments received for incurred claims and other insurance service expenses	—	—	-1,512	-452	—	-1,963
Insurance acquisition cash flows	-18	—	—	—	—	-18
Other cash flows	—	—	—	—	—	—
Total cash flows	3,690	—	-1,512	-452	—	1,727
Net closing balance	-2,135	84	4,841	3,998	153	6,941
Carrying amount of assets at the end of the reporting period	-859	84	4,154	3,967	153	7,498
Carrying amount of liabilities at the end of the reporting period	-1,276	—	687	31	1	-557

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

EUR million	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin			Total
			Contracts measured under the modified retrospective approach	Contracts measured under the fair value approach	Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	
2024						
Carrying amount of assets at the start of the reporting period	2,382	330	169	53	322	3,256
Carrying amount of liabilities at the start of the reporting period	-955	69	19	-29	169	-727
Net opening balance	1,427	399	188	24	491	2,529
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in statement of income and other comprehensive income						
Changes that relate to current services						
CSM recognised for services provided	—	—	-52	-1	-605	-658
Changes in risk adjustment for non-financial risk for the risk expired	—	-39	—	—	—	-39
Experience adjustments	-418	—	—	—	—	-418
Total changes that relate to current services	-418	-39	-52	-1	-605	-1,115
Changes that relate to future services						
Contracts initially recognised in the period	-1,260	91	—	—	1,169	—
Changes in estimates that adjust the CSM	-90	4	61	16	9	1
Changes in estimates that relate to losses and reversals of losses on underlying onerous contracts	14	—	—	—	—	14
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-13	-2	—	—	27	11
Total changes that relate to future services	-1,350	93	61	16	1,205	26
Changes that relate to past services						
Adjustment to the asset for incurred claims	158	-11	—	—	—	148
Total changes that relate to past services	158	-11	—	—	—	148
Effect of changes in the non-performance risk of reinsurers	4	—	—	—	—	4
Total changes that relate to services	-1,606	44	10	15	599	-938
Insurance finance income and expenses from reinsurance contracts held	35	2	7	—	23	67
Effect of movements in exchange rates	—	4	1	—	13	18
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	-1,572	50	17	16	636	-854
Cash flows						
Premiums paid	2,712	—	—	—	—	2,712
Payments received for incurred claims and other insurance service expenses	-1,512	—	—	—	—	-1,512
Insurance acquisition cash flows	2	—	—	—	—	2
Other cash flows	—	—	—	—	—	—
Total cash flows	1,203	—	—	—	—	1,203
Net closing balance	1,057	449	205	40	1,127	2,878
Carrying amount of assets at the end of the reporting period	1,999	381	363	47	623	3,414
Carrying amount of liabilities at the end of the reporting period	-942	68	-158	-7	504	-536

New business analysis – contracts not measured under the PAA

EFFECT OF REINSURANCE CONTRACTS HELD THAT WERE INITIALLY RECOGNISED IN THE PERIOD

EUR million	Contracts initiated without loss-recovery component	Contracts initiated with loss-recovery component
6M 2024		
Estimates of present value of future cash inflows	2,239	-17
Estimates of present value of future cash outflows	-3,499	4
of which: insurance acquisition cash flows	40	—
Risk adjustment for non-financial risk	91	-2
Income recognised on initial recognition	—	11
Contractual service margin¹	1,169	27
6M 2023		
Estimates of present value of future cash inflows	1,299	26
Estimates of present value of future cash outflows	-1,910	-36
of which: insurance acquisition cash flows	—	—
Risk adjustment for non-financial risk	72	10
Income recognised on initial recognition	—	6
Contractual service margin¹	541	6

¹ The CSM is attributable to the following segments: Retail Germany – Property/Casualty EUR 5 (4) million, Retail Germany – Life EUR 21 (8) million, Retail International EUR 11 (5) million, Property/Casualty Reinsurance EUR 1,047 (442) million, Life/Health Reinsurance EUR 6 (8) million and Corporate Operations EUR 110 (93) million. Consolidation had an effect of EUR -30 (-18) million.

No material reinsurance contracts were acquired in the course of a portfolio transfer or business combination in accordance with IFRS 3 in the reporting period.

Contractual service margin

The closing balance of the CSM from reinsurance contracts held increased by EUR 669 million to EUR 1,372 (703) million. The change in the CSM can be attributed to the segments as follows: Retail Germany – Property/Casualty: EUR 29 million, Retail Germany – Life: EUR -40 million, Retail International: EUR 7 million, Property/Casualty Reinsurance: EUR 569 million, Life/Health Reinsurance: EUR 48 million and Corporate Operations: EUR 72 million. Consolidation had an effect of EUR -14 million.

(3) Financial instruments measured at amortised cost

EUR million	Amortised cost		Unrealised gains/losses		Fair value	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Other foreign government debt securities	31	27	-5	-2	26	25
Corporate bonds	45	50	2	1	47	51
Mortgage loans	865	876	-151	-141	714	735
Other	1	1	—	—	1	1
Total	942	954	-154	-142	788	811

(4) Financial instruments measured at fair value through OCI

EUR million	Amortised cost		Unrealised gains/losses		Fair value	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023	30.06.2024	31.12.2023
Debt instruments						
Government debt securities issued by EU member states	16,406	15,702	-1,797	-1,354	14,609	14,348
US Treasury notes	11,717	12,018	-857	-690	10,860	11,328
Other foreign government debt securities	7,810	7,134	-212	-129	7,598	7,005
Debt securities issued by quasi-governmental entities	29,886	28,782	-5,604	-5,036	24,282	23,746
Corporate bonds	35,290	32,901	-1,980	-1,873	33,310	31,029
Covered bonds/asset-backed securities	21,783	21,368	-2,044	-1,785	19,739	19,584
Other	739	655	-2	-7	737	648
Total debt instruments	123,632	118,560	-12,496	-10,873	111,135	107,687
Equity instruments						
Equities	799	1,331	148	188	946	1,519
Other participating interests (financial investments)	87	2	-2	1	85	3
Total equity instruments	886	1,333	146	189	1,031	1,522
Total	124,517	119,893	-12,350	-10,684	112,167	109,210

(5) Financial instruments measured at fair value through profit or loss

EUR million	Fair value	
	30.06.2024	31.12.2023
Debt instruments		
Government debt securities issued by EU member states	4	—
Other foreign government debt securities	53	67
Debt securities issued by quasi-governmental entities	43	37
Corporate bonds	1,170	1,150
Covered bonds/asset-backed securities	68	17
Profit participating certificates	85	92
Life settlement contracts	13	13
Other	51	53
Total debt instruments	1,486	1,429
Equity instruments		
Equities	139	122
Shares in associates and joint ventures	184	190
Other equity instruments at fair value through profit or loss	10	10
Total equity instruments	333	322
Derivatives	347	415
Funds classified as at fair value through profit or loss	9,223	8,906
Investment contracts	2,077	1,971
Short-term investments	2,094	2,233
Total	15,560	15,276

(6) Impairment losses on financial instruments

LOSS ALLOWANCE ON FINANCIAL INSTRUMENTS

EUR million	Opening balance	Transfer to Level 1	Transfer to Level 2	Transfer to Level 3	Additions	Disposals	Other	Closing balance
30.06.2024								
Measurement category								
Financial instruments measured at amortised cost (Level 1)	2	—	—	—	—	—	-1	1
Financial instruments measured at fair value through other comprehensive income (Level 1)	90	2	-5	—	33	-14	-15	90
Financial instruments measured at fair value through other comprehensive income (Level 2)	51	-2	6	-1	—	-3	4	55
Financial instruments measured at fair value through other comprehensive income (Level 3)	134	—	-1	1	—	-4	2	132
Simplified impairment model	18	—	—	—	3	-1	—	21
Total	294	—	—	—	36	-22	-9	299

(7) Fair value hierarchy – investments

For disclosure purposes required by IFRS 13 Fair Value Measurement, both investments that are accounted for at fair value and assets and liabilities that are recognised at amortised cost but for which fair value must be disclosed in the annual report (investments not measured at fair value) must be assigned to a three-level fair value hierarchy.

The guideline for the allocation to the individual levels of the valuation hierarchy and of the valuation process, the valuation models for measuring fair value, the material input factors, the material Level 3 portfolios and the statements on the sensitivity analysis have not materially changed compared to the description in the 2023 Annual Report. Level 3 investments had fair values totalling EUR 14.8 (14.1) billion as at the reporting date. Of this figure, the Group generally measures investments with a value of EUR 8.6 (8.0) billion using the net asset value method, under which alternative inputs within the

meaning of the standard cannot reasonably be established. Real estate measured at fair value of EUR 3.5 (4.1) billion is measured using the income capitalisation approach. The fair values of the other Level 3 investments are primarily determined using the present value method and the ISDA model.

As at the end of the reporting period, we allocated roughly 5% (5%) of the investments measured at fair value to Level 1 of the fair value hierarchy, 84% (84%) to Level 2 and 11% (11%) to Level 3.

No securities were reclassified between Level 2 and Level 1 in the financial year or in the prior year.

As in the prior year, there were no liabilities issued with an inseparable third-party credit enhancement within the meaning of IFRS 13.98 as at the end of the reporting period. The credit enhancements are not reflected in the measurement of the fair value.

FAIR VALUE HIERARCHY – INVESTMENTS MEASURED AT FAIR VALUE

EUR million

Carrying amounts of investments measured at fair value by class	Level 1	Level 2	Level 3	Carrying amount
30.06.2024				
Financial assets measured at fair value				
Investment property	—	—	3,378	3,378
Shares in affiliated companies, associates, joint ventures and participating interests	63	1	1,029	1,093
Financial instruments measured at fair value through other comprehensive income				
Debt instruments	6	108,454	2,676	111,135
Equity instruments	945	—	86	1,031
Financial instruments measured at fair value through profit or loss				
Debt instruments classified as at fair value through profit or loss	4	1,282	200	1,486
Equity instruments classified as at fair value through profit or loss	16	29	288	333
Derivatives	1	149	197	347
Funds classified as at fair value through profit or loss	721	1,846	6,657	9,223
Investment contracts				
Financial instruments classified as at fair value through profit or loss	1,865	140	72	2,077
Short-term investments	2,079	15	—	2,094
Other assets				
Real estate held and used	—	—	108	108
Derivatives	—	2	—	2
Total financial assets measured at fair value	5,697	111,919	14,692	132,308
Financial liabilities measured at fair value				
Other liabilities (negative fair values from derivative financial instruments)				
Negative fair values from derivatives	—	306	6	313
Other liabilities (investment contracts)				
Financial instruments classified as at fair value through profit or loss	846	1,158	73	2,077
Liabilities designated as at fair value through profit or loss	10	—	—	10
Total financial liabilities measured at fair value	856	1,464	80	2,400

FAIR VALUE HIERARCHY – INVESTMENTS MEASURED AT FAIR VALUE

EUR million

Carrying amounts of investments measured at fair value by class	Level 1	Level 2	Level 3	Carrying amount
31.12.2023				
Financial assets measured at fair value				
Investment property	—	—	3,426	3,426
Shares in affiliated companies, associates, joint ventures and participating interests	58	1	1,050	1,108
Financial instruments measured at fair value through other comprehensive income				
Debt instruments	5	105,252	2,430	107,687
Equity instruments	1,519	—	3	1,522
Financial instruments measured at fair value through profit or loss				
Debt instruments classified as at fair value through profit or loss	12	1,215	202	1,429
Equity instruments classified as at fair value through profit or loss	102	—	220	322
Derivatives	—	214	200	415
Funds classified as at fair value through profit or loss	628	1,943	6,335	8,906
Investment contracts				
Financial instruments classified as at fair value through profit or loss	1,758	134	79	1,971
Short-term investments	2,213	20	—	2,233
Other assets				
Real estate held and used	—	—	108	108
Derivatives	—	2	—	2
Total financial assets measured at fair value	6,295	108,782	14,053	129,130
Financial liabilities measured at fair value				
Other liabilities (negative fair values from derivative financial instruments)				
Negative fair values from derivatives	—	267	9	276
Other liabilities (investment contracts)				
Financial instruments classified as at fair value through profit or loss	800	1,088	80	1,968
Liabilities designated as at fair value through profit or loss	12	—	—	12
Total financial liabilities measured at fair value	812	1,355	89	2,256

Analysis of investments (assets) for which significant inputs are not based on observable market data (Level 3)

RECONCILIATION OF INVESTMENTS (ASSETS) CLASSIFIED AS LEVEL 3 AT THE START OF THE REPORTING PERIOD TO CARRYING AMOUNTS AS AT 30 JUNE 2024

EUR million	Invest- ment property	Participat- ing interests	Debt instru- ments FVOCI	Equity instru- ments FVOCI	Debt instru- ments FVPL	Equity instru- ments FVPL	Deriva- tives	Funds FVPL	Invest- ment contracts	Real estate held and used	Financial assets total
2024											
Opening balance at the start of the reporting period	3,426	1,050	2,430	3	202	220	200	6,335	79	108	14,053
Income and expenses											
recognised in profit or loss	-45	25	12	—	—	25	45	-28	—	—	35
recognised in other comprehensive income	—	-11	-21	-3	—	—	—	—	—	—	-35
Transfers into Level 3 ¹	—	—	76	1	—	—	—	—	—	—	77
Transfers out of Level 3	—	—	—	—	—	—	—	—	-3	—	-3
Additions											
Purchases	3	345	246	27	1	46	—	529	—	—	1,196
Disposals											
Sales	—	-326	-15	-3	-4	—	-52	-245	-4	—	-649
Repayments/redemptions	-6	—	-70	—	-1	—	-1	—	—	—	-77
Exchange rate changes	—	7	18	2	2	-3	4	66	—	—	96
Other changes	—	-60	—	60	—	—	—	—	—	—	—
Closing balance at the end of the reporting period	3,378	1,029	2,676	86	200	288	197	6,657	72	108	14,692

¹ Trading in an active market was discontinued.

Effect on profit or loss of Level 3 investments (assets) measured at fair value

EUR million	Invest- ment property	Participat- ing interests	Debt instru- ments FVOCI	Equity instru- ments FVOCI	Debt instru- ments FVPL	Equity instru- ments FVPL	Deriva- tives	Funds FVPL	Invest- ment contracts	Real estate held and used	Financial assets total
2024											
Gains and losses in the financial year											
Investment income	28	26	13	—	3	26	52	174	—	—	322
Investment expenses	-73	—	-1	—	-4	-1	-7	-202	—	—	-288
of which attributable to financial instruments held as at the end of the reporting period											
Investment income	22	26	1	—	2	26	11	174	—	—	260
of which investment income from fair value changes	22	24	—	—	1	26	11	174	—	—	256
Investment expenses	-73	—	-1	—	-1	-1	-7	-202	—	—	-285
of which investment losses from fair value changes	-73	—	—	—	-1	-1	-5	-202	—	—	-282

Analysis of financial liabilities for which significant inputs are not based on observable market data (Level 3)

RECONCILIATION OF FINANCIAL INSTRUMENTS (FINANCIAL LIABILITIES) CLASSIFIED AS LEVEL 3 AT THE START OF THE REPORTING PERIOD TO CARRYING AMOUNTS AS AT 30 JUNE 2024

EUR million	Other liabilities/negative fair values from derivatives	Investment contracts	Total financial liabilities
2024			
Opening balance at the start of the reporting period	9	80	89
Income and expenses			
recognised in profit or loss	—	—	—
recognised in other comprehensive income	—	—	—
Transfers into Level 3	—	—	—
Transfers out of Level 3	—	-3	-3
Additions			
Purchases	—	—	—
Disposals			
Sales	-3	-4	-7
Exchange rate changes	—	—	—
Other changes	—	—	—
Closing balance at the end of the reporting period	6	73	80

Effect on profit or loss of Level 3 financial liabilities measured at fair value

EUR million	Other liabilities/negative fair values from derivatives	Investment contracts	Total financial liabilities
2024			
Gains and losses in the financial year			
Investment income	—	—	—
Investment expenses	—	—	—
of which attributable to financial instruments held as at the end of the reporting period			
Investment income	—	—	—
of which investment income from fair value changes	—	—	—
Investment expenses	—	—	—
of which investment losses from fair value changes	—	—	—

Notes to the consolidated balance sheet – equity and liabilities

(8) Equity

Subscribed capital

The share capital was unchanged at EUR 323 million and is composed of 258,228,991 no-par value registered shares; it is fully paid up. The nominal value per share is EUR 1.25.

For details of the composition of equity, please see the “Consolidated statement of changes in equity”.

There were no changes to the composition of conditional and authorised capital in the reporting period. In this regard, please refer to the explanations in our consolidated financial statements for 2023 (page 255).

Non-controlling interests

RECONCILIATION ITEMS FOR NON-CONTROLLING INTERESTS IN EQUITY

EUR million	30.06.2024	31.12.2023
Unrealised gains and losses on investments	-1,605	-1,345
Share of net income	617	964
Other equity	7,556	6,727
Total	6,569	6,347

Non-controlling interests in equity primarily consist of the interests in the equity of the Hannover Re subgroup held by non-Group shareholders.

(9) Subordinated liabilities

A number of Group companies have issued long-term subordinated debt instruments in the past, some of which are listed, in order to optimise the Group's capital structure and to ensure compliance with regulatory liquidity (solvency) requirements.

LONG-TERM SUBORDINATED DEBT

EUR million	Nominal amount	Coupon	Maturity	Rating ²	Issue	30.06.2024	31.12.2023
Talanx AG	750	Fixed (2.25%)	2017/2047	(–; A–)	These subordinated bonds were issued on the European capital market in 2017. They can be called for the first time under normal conditions time in 2027.	750	750
Talanx AG	500	Fixed (1.75%), then floating rate	2021/2042	(–; A–)	These subordinated bonds were issued on the European capital market in 2021. They can be called for the first time under normal conditions in 2032.	497	496
Talanx AG	750	Floating rate (4,159%)	2023/2026	(–; –)	Credit line in the form of a subordinated bond that can be cancelled monthly.	–	750
Hannover Rück SE	750	Fixed (5.875%), then floating rate	2022/2043	(–; A)	These subordinated bonds were issued on the European capital market in 2022. They can be called for the first time under normal conditions in 2033.	746	746
Hannover Rück SE	750	Fixed (1.375%), then floating rate	2021/2042	(–; A)	These subordinated bonds were issued on the European capital market in 2021. They can be called for the first time under normal conditions in 2031.	745	745
Hannover Rück SE	500	Fixed (1.75%), then floating rate	2020/2040	(–; A)	These subordinated bonds were issued on the European capital market in 2020. They can be called for the first time under normal conditions in 2030.	497	496
Hannover Rück SE	750	Fixed (1.125%), then floating rate	2019/2039	(–; A)	These subordinated bonds were issued on the European capital market in 2019. They can be called for the first time under normal conditions in 2029.	745	744
Hannover Rück SE ¹	450	Fixed (3.375%), then floating rate	2014/no maturity	(a+; A)	These subordinated bonds were issued on the European capital market in 2014. They can be called for the first time under normal conditions in 2025.	449	449
HDI Assicurazioni S.p.A.	25	Fixed (7.25%)	2020/2030	(–; –)	These subordinated bonds in the amount of EUR 25 million were issued in 2020 on the European capital market. They can be called for the first time under normal conditions after five years.	33	34
HDI Assicurazioni S.p.A.	27	Fixed (5.5%)	2016/2026	(–; –)	Subordinated loan.	27	28
HDI Assicurazioni S.p. A.	11	Fixed (5,7557%)	2020/2030	(–; –)	Two subordinated loans, callable after ten years.	11	11
HDI Global SE	13	Fixed (1.70%), then floating rate	2021/2041	(–; –)	Two subordinated loans, callable after ten years.	13	13
Total						4,512	5,262

¹ In addition, Group companies (included in the consolidated financial statements) held bonds with a nominal amount of EUR 50 million as at the reporting date.

² AM Best debt rating; S&P debt rating.

On 18 September 2023, Talanx AG drew down a EUR 750 million credit line in the form of a subordinated bond under the master agreement concluded with HDI V.a.G. in 2021. This credit line was repaid in full as at the reporting date.

FAIR VALUES OF SUBORDINATED LIABILITIES MEASURED AT AMORTISED COST

EUR million	30.06.2024	31.12.2023
Amortised cost	4,512	5,262
Unrealised gains/losses	–361	–375
Fair value	4,151	4,887

(10) Insurance contract liabilities**Reconciliation of changes in the carrying amount****ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS**

EUR million	Liability for remaining coverage			Liability for incurred claims			Total ¹
	Excluding loss component	Loss component	Contracts not measured under the PAA	Contracts measured under the PAA			
				Estimates of present value of future cash flows	Risk adjustment for non-financial risk		
2024							
Carrying amount of assets as at the start of the reporting period	-1,459	3	365	55	3		-1,032
Carrying amount of liabilities as at the start of the reporting period	60,938	782	45,867	21,805	872		130,264
Net opening balance	59,479	786	46,232	21,860	875		129,231
IAS 8 adjustments	—	—	—	—	—		—
Changes in the basis of consolidation	265	60	-2	—	—		323
Disposal groups in accordance with IFRS 5	—	—	—	1	—		1
Other changes	1	—	—	—	—		1
Changes in the statement of income and other comprehensive income							
Insurance revenue							
Contracts measured under the modified retrospective approach	-1,572	—	—	—	—		-1,572
Contracts measured under the fair value approach	-2,423	—	—	—	—		-2,423
Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	-19,611	—	—	—	—		-19,611
Total insurance revenue	-23,606	—	—	—	—		-23,606
Insurance service expenses							
Incurred claims and other insurance service expenses	—	-153	11,522	5,531	66		16,966
Amortisation of insurance acquisition cash flows	2,472	—	—	—	—		2,472
Losses and reversals of losses on onerous contracts	1	303	—	—	—		303
Adjustments to liability for incurred claims	—	—	-286	589	-88		216
Total insurance service expenses	2,472	150	11,237	6,120	-22		19,957
Investment components	-5,218	—	5,215	2	—		—
Insurance service result	-26,352	150	16,452	6,123	-22		-3,650
Net insurance financial result	1,242	18	28	15	4		1,307
Effect of movements in exchange rates	13	—	619	36	3		671
Other changes	45	9	21	-75	—		—
Total changes in the statement of income and other comprehensive income	-25,052	177	17,120	6,099	-15		-1,672
Cash flows							
Premiums received	26,713	—	—	—	—		26,713
Claims and other insurance service expenses paid, including investment components	—	—	-14,583	-5,055	—		-19,638
Insurance acquisition cash flows	-2,449	—	—	—	—		-2,449
Other cash flows	1	—	—	—	—		1
Total cash flows	24,265	—	-14,583	-5,055	—		4,628
Net closing balance	58,959	1,023	48,767	22,905	860		132,513
Carrying amount of assets as at the end of the reporting period	-1,304	1	232	76	2		-993
Carrying amount of liabilities as at the end of the reporting period	60,263	1,021	48,535	22,829	858		133,506

¹ The insurance acquisition cash flows of EUR 19 (17) million recognised as assets in the Retail International segment are derecognised in the subsequent year at the latest.

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

EUR million	Estimated present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin			Total
			Contracts measured under the modified retrospective approach	Contracts measured under the fair value approach	Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	
2024						
Carrying amount of assets as at the start of the reporting period	-2,244	115	297	383	499	-951
Carrying amount of liabilities as at the start of the reporting period	89,639	4,708	4,233	2,599	3,412	104,591
Net opening balance	87,395	4,822	4,530	2,982	3,911	103,640
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	7	-9	—	—	-14	-16
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	1	—	—	—	—	1
Changes in the statement of income and other comprehensive income						
Changes that relate to current services						
CSM recognised for services provided	—	—	-184	-202	-1,641	-2,027
Changes in risk adjustment for non-financial risk for the risk expired	—	-61	—	—	—	-61
Experience adjustments	-294	—	—	—	—	-294
Total changes that relate to current services	-294	-61	-184	-202	-1,641	-2,382
Changes that relate to future services						
Contracts initially recognised in the period	-3,544	280	—	—	3,282	18
Changes in estimates that adjust the CSM	-739	-12	395	161	199	4
Changes in estimates that relate to losses and reversals of losses on onerous contracts	87	120	—	—	—	207
Total changes that relate to future services	-4,196	388	395	161	3,481	229
Changes that relate to past services						
Adjustment to the liability for incurred claims	-82	-204	—	—	—	-286
Total changes that relate to past services	-82	-204	—	—	—	-286
Insurance service result	-4,572	123	211	-41	1,840	-2,438
Insurance finance income and expenses from insurance contracts issued	1,109	-12	39	30	100	1,266
Effect of movements in exchange rates	386	75	46	76	51	635
Other changes	-6	2	—	—	-2	-5
Total changes in the statement of income and other comprehensive income	-3,083	189	296	65	1,990	-543
Cash flows						
Premiums received	17,562	—	—	—	—	17,562
Claims and other insurance service expenses paid, including investment components	-14,579	—	—	—	—	-14,579
Insurance acquisition cash flows	-1,044	—	—	—	—	-1,044
Other cash flows	1	—	—	—	—	1
Total cash flows	1,942	—	—	—	—	1,942
Net closing balance	86,261	5,002	4,826	3,047	5,887	105,024
Carrying amount of assets as at the end of the reporting period	-1,986	73	77	365	541	-930
Carrying amount of liabilities as at the end of the reporting period	88,248	4,929	4,749	2,682	5,346	105,954

New business analysis – contracts not measured under the PAA

EFFECT OF INSURANCE CONTRACTS ISSUED THAT WERE INITIALLY RECOGNISED IN THE PERIOD

EUR million	Profitable contracts issued	Onerous contracts issued
6M 2024		
Insurance acquisition cash flows	1,134	4
Claims and other insurance service expenses payable	15,600	424
Estimates of present value of future cash outflows	16,735	429
Estimates of present value of future cash inflows	-20,312	-395
Risk adjustment for non-financial risk	296	-16
Contractual service margin ¹	3,282	—
Losses recognised on initial recognition	—	18
6M 2023		
Insurance acquisition cash flows	797	5
Claims and other insurance service expenses payable	12,737	317
Estimates of present value of future cash outflows	13,534	321
Estimates of present value of future cash inflows	-16,310	-291
Risk adjustment for non-financial risk	212	19
Contractual service margin ¹	2,564	—
Losses recognised on initial recognition	—	50

¹ The CSM is attributable to the following segments: Retail Germany – Property/Casualty EUR 30 (44) million, Retail Germany – Life EUR 147 (156) million, Retail International EUR 108 (60) million (of which EUR 44 (39) million is attributable to the life insurance business), Property/Casualty Reinsurance EUR 2,911 (2,271) million, Life/Health Reinsurance EUR 191 (158) million and Corporate Operations EUR 185 (126) million. Consolidation had an effect of EUR -292 (-250) million.

No material contracts were acquired in the course of a portfolio transfer or business combination in accordance with IFRS 3 in the reporting period.

Contractual service margin

The closing balance of the CSM from reinsurance contracts held increased by EUR 2,337 million to EUR 13,760 (11,423) million. The change in the CSM can be attributed to the segments as follows: Retail Germany – Property/Casualty: EUR 8 million, Retail Germany – Life: EUR 211 million, Retail International: EUR -35 million, Property/Casualty Reinsurance: EUR 1,701 million, Life/Health Reinsurance: EUR 490 million and Corporate Operations: EUR 110 million. Consolidation had an effect of EUR -147 million.

Significant management judgement and estimates

Fulfilment cash flows

Fulfilment cash flows comprise estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks related to those cash flows (to the extent that these risks are not included in the estimates of cash flows), and a risk adjustment for non-financial risk.

Future cash flows

Future cash flows are the expected value (or the probability-weighted mean) of the full range of possible outcomes. Stochastic models are used in the case of significant interdependencies between cash flows in different scenarios. The Group uses all reasonable and supportable information available without undue cost or effort at the end of the reporting period in an unbiased way when estimating future cash flows. Estimates of future cash flows reflect the Group's perspective on conditions as at the reporting date; the estimates of the relevant market variables are consistent with observable market prices for those variables. Estimates of cash flows take into account current expectations of future events that might affect those cash flows. Changes in the law are taken into account as soon as they have been substantively enacted. Assumptions as to future inflation scenarios are derived from the difference between the yields on nominal government bonds and yields on inflation-linked government bonds.

The core assumptions in the life insurance business (including Life/Health Reinsurance) relate to mortality, longevity and policyholder behaviour, and vary by product type. They are developed using recognised techniques and sources. We check our experience by performing regular studies, the results of which are included in the measurement of existing contracts. To determine how changes in discretionary cash flows for these contracts are identified, the Group generally defines its commitment as the return implicit in the estimate of the fulfilment cash flows at inception of the contract. This is updated to reflect current assumptions that relate to financial risk. Fulfilment cash flows under the VFA are determined on a market-consistent basis using actuarial (stochastic) modelling, taking account of contractual options and guarantees.

In the case of investment contracts with some discretionary participation features that are measured under the general measurement model (GMM) and for which the Group, taking account of the statutory framework, has discretion over the amount or timing of payments to policyholders, changes in the discretionary cash flows are assumed to relate to future services and hence to result in an adjustment to the contractual service margin. At inception, the Group models the expected interest payable on the policyholder's account balance, based on a pool of assets after deduction of a spread. The effects of changes in the spread and the resulting impact on fulfilment cash flows lead to an adjustment to the contractual service margin. This also applies to financial risk assumptions.

In the case of the property/casualty business (including Property/Casualty Reinsurance), the Group uses recognised actuarial methods to calculate estimated claims that have been incurred but not yet reported. The ultimate liability for all lines is measured by calculating the anticipated ultimate loss ratios using actuarial techniques such as the chain ladder method. These are based on the assumption that the Group's historical claims development can suggest patterns in future claims development. The amount recognised is the realistically estimated future settlement amount. The uncertainty in actuarial projections is greater for more recent underwriting years. This can be reduced using a wide range of additional information on rate and condition improvements in business written and claims trends. In the case of reinsurance, these calculations use the information received from the cedants. For missing cedant settlements with larger premium volumes, supplementary or complete estimates may be made of the corresponding profit items, assets and liabilities including the relevant retrocessions. Missing cedant settlements with low premium volumes were recognised in the subsequent year. In addition, individual cost estimates are calculated for certain known insurance claims. These estimates, which are based on the facts known when the relevant reserve was recognised, are determined by the Loss Adjustment department and take general principles of insurance practice, the loss situation and the agreed level of cover into account. The loss reserves are remeasured at regular intervals if new information becomes available that suggests this is appropriate.

Large losses are considered separately when using statistical methods. Based on an evaluation of various observable information, losses can be classified as large individual loss events. Related liabilities are measured in a separate process based on estimates of individual contracts.

Discount rates

An insurance liability is considered illiquid over a specific period if the insurer can hold assets over this period with a very low risk of a forced sale. This depends on the timing and predictability of the cash flows associated with the liability, which in turn are affected by product characteristics such as repurchase options. Accordingly, an insurance contract's illiquidity features are directly related to the predictability of its cash flows. This means it can be fundamentally assumed that all characteristics of an insurance contract (or a group of insurance contracts) can be described and measured in full by the characteristics of their resulting cash flows. This is particularly true of the contract's liquidity features, which are consistent with the regulations of IFRS 17.B83 (a) and B84. This refers to the liquidity characteristics of the yield curve (illiquid risk-free yield curve) and uncertainty about the amount and timing of cash flows, without also focusing on the liquidity of the contract.

Double counting and omissions are to be avoided when measuring insurance contracts. This requirement is a central principle of IFRS (see IFRS 17.B74). If an entity considers different levels of predictability for the cash flows of different product types by including individual illiquidity premiums in the discount rates of the respective product types at the same time as including impairment losses for financial risks in the estimate of future cash flows, the uncertainty about the timing and amount of cash flows would be double-counted in the IFRS 17 measurement. Accordingly, all uncertainties for which impairment has already been recognised in the measurement of the liability must not be taken into account by way of a reduced illiquidity premium in the composition of the yield curve, as this would result in double counting.

In summary, Talanx has opted to reflect uncertainties in cash flows caused by fluctuations in the underlying financial parameters (i.e. financial risk) in the estimate of future cash flows instead of implicitly by reducing the illiquidity premium through the adjustment of the risk-free, fully illiquid yield curve. This means that Talanx applies the risk-free, fully illiquid yield curve referenced in IFRS 17.B84 to all business transactions in the same currency and thus accounts for all material uncertainties in the estimate of future cash flows or in the risk adjustment for non-financial risks.

The discount rate is based on the bottom-up approach, under which the discount rate is determined as the risk-free return, adjusted to account for differences in liquidity features between financial assets used to determine the risk-free return and cash flows of the liability in question (also referred to as the “illiquidity premium”). The risk-free return was determined using swap rates available on the market in the same currency as the product being measured. If no swap rates are available, highly liquid government bonds are used. The illiquidity premium is calculated using reference portfolios based on assets specific to the Talanx Group (applying the top-down approach) to ensure better matching with liabilities and stable results. Assessing the liquidity features of cash flows from liabilities requires making judgements. The illiquidity premium was estimated based on observable market liquidity premiums for financial assets, which were adjusted to reflect the illiquidity characteristics of the cash flows from the liability.¹ The method used to calculate the illiquidity premium is similar to the EIOPA method for calculating the volatility adjustment under Solvency 2.

The illiquidity premium is calculated as the risk-adjusted return of a reference portfolio specific to the Talanx Group. The reference portfolio specific to the Talanx Group includes a mix of government and corporate bonds. The return on the reference portfolio was adjusted to eliminate the effects of expected and unexpected credit risks. These adjustments were estimated using information from observable historical loss rates and credit default swaps in connection with the bonds included in the reference portfolio.

Observable market information for a period of up to 50 years, depending on the currency in question, is available to calculate the discount rates. For the euro, for example, market data for a period of up to 50 years is used. For the non-observable period, state-of-the-art methods were used to interpolate the yield curve for a final rate. In this connection, we use an extrapolation method for the liquid portion of the yield curve that is similar to the method used in the latest Solvency 2 review. The final rate is comparable to the ultimate forward rate under Solvency 2. To calculate the illiquidity premium curve for the euro and the US dollar, we opted to use Smith-Wilson optimisation to develop a maturity-dependent curve that results in a final illiquidity premium similar to the ultimate forward rate and that is calculated as the stable long-term average of the illiquidity premium.

The following yield curves are used to discount estimated future cash flows:

YIELD CURVES USED

	EUR	USD	GBP	AUD	CAD	BRL
30.06.2024						
1 year	0.036599	0.053394	0.052976	0.049473	0.046817	0.110405
5 years	0.030093	0.045856	0.043650	0.046242	0.036784	0.121309
10 years	0.030543	0.049250	0.042650	0.048220	0.036876	0.122118
15 years	0.031156	0.049356	0.043586	0.049556	0.036548	0.115913
20 years	0.030187	0.048940	0.043962	0.049333	0.036383	0.106553
25 years	0.029166	0.047325	0.043547	0.047910	0.036285	0.097961
30 years	0.029040	0.046250	0.043269	0.046186	0.036219	0.090757
50 years	0.030471	0.040432	0.039659	0.043346	0.036125	0.072817
31.12.2023						
1 year	0.036075	0.050854	0.050997	0.046455	0.043537	0.101278
5 years	0.025919	0.041036	0.037194	0.042250	0.035620	0.099844
10 years	0.027342	0.046590	0.036483	0.045210	0.035363	0.104516
15 years	0.028315	0.047025	0.037619	0.046790	0.034728	0.101740
20 years	0.027677	0.046759	0.037971	0.046612	0.034411	0.094931
25 years	0.027066	0.045391	0.037536	0.045194	0.034221	0.088253
30 years	0.027269	0.044480	0.037246	0.043384	0.034094	0.082511
50 years	0.029525	0.037807	0.033063	0.040780	0.033666	0.067920

Contractual service margin

The insurance services provided in a reporting period are included in the amount of the contractual service margin recognised in profit or loss for that period. The amount is determined on the basis of the number of coverage units provided in the reporting period, based on the volume of coverage provided and the expected coverage period. IFRS 17 does not contain any requirements as to the method to be used to determine the volume of the insurance coverage. An appropriate method is selected for each group of contracts. In the case of insurance contracts that offer both insurance coverage and investment-related services, measurement of the volume of insurance services provided includes determining the relative weighting of the services provided to the policyholders by the insurance coverage. The way in which the services provided change in the course of the coverage period is determined and the individual components are then aggregated.

The Group determines the relative weighting of the insurance service provided under the insurance coverage by accounting for the service as if it had been offered independently. The ratio is then calculated based on the ratio of the respective services for the financial year in relation to the expected total services.

¹ The illiquidity premium is calculated only for the main currencies. For the euro and the US dollar, we use a curve for the illiquidity premium that depends on the assets' maturity.

Risk adjustment for non-financial risk

The non-financial risk adjustment is used to compensate for uncertainty regarding the amount and timing of cash flows in connection with the non-financial risk (e.g. insurance risk, cost risk, inflation risk and, in particular, policyholder behaviour risk). The Talanx Group uses two methods to calculate the non-financial risk adjustment, reflecting its different business models. Primary Insurance applies the confidence level method with a Group-wide confidence level of 75% (exception: 65% for HDI Global Specialty SE, Hannover). The risk adjustment is determined at entity level, but risk diversification between entities is not taken into account. We apply a pricing margin approach for our Reinsurance Division and our internal reinsurance business at Talanx AG. This approach is based on the fact that the need to compensate for uncertain cash flows is already addressed during premium calculation. The surcharges determined there are applied to the cash flows and hence also form the risk adjustment under IFRS 17. This approach does not use the confidence level as an input.

(11) Notes payable and loans

EUR million	30.06.2024	31.12.2023
Talanx AG notes payable	2,481	1,746
Hannover Rück SE	747	747
Hannover Re Real Estate Holdings, Inc. mortgage loans	210	206
HR GLL Central Europe GmbH & Co. KG mortgage loans	205	206
Real Estate Asia Select Fund Limited mortgage loans	207	217
Loans from infrastructure investments	31	54
Hannover Rück SE loans	140	138
E+S Rückversicherung AG loans	31	31
Liabilities from real estate investments of KOP4 GmbH & Co. KG	44	44
Other	—	6
Total	4,097	3,395

On 2 May 2024, Talanx AG concluded an agreement with a bank syndicate for a revolving credit facility with a value of EUR 250 million. The term of this agreement is five years plus the option to extend this twice for a further year. These had not been drawn down as at the end of the reporting period.

On 15 April 2024, Talanx AG issued a senior unsecured bond with a value of EUR 750 million as part of a private placement. The bond's sole subscriber was HDI V.a.G. The issued bond is listed on the Luxembourg Stock Exchange, matures on 23 July 2026, has a fixed coupon of 2.5% per annum and was issued at a price of 97.798%.

NOTES PAYABLE

EUR million	Nominal amount	Coupon	Maturity	Rating ¹	Issue	30.06.2024	31.12.2023
Talanx AG	750	Fixed (2.5%)	2024/2026	(—; —)	These senior unsecured bonds have a fixed term and can only be called for extraordinary reasons.	735	—
Talanx AG	750	Fixed (4.0%)	2022/2029	(—; —)	These senior unsecured bonds have a fixed term and can only be called for extraordinary reasons.	748	748
Talanx AG	500	Fixed (4.0%)	2022/2029	(—; A+)	These senior unsecured bonds have a fixed term and can only be called for extraordinary reasons.	499	498
Talanx AG	500	Fixed (2.5%)	2014/2026	(—; A+)	These senior unsecured bonds have a fixed term and can only be called for extraordinary reasons.	500	500
Hannover Rück SE	750	Fixed (1.125%)	2018/2028	(—; AA-)	These unsubordinated unsecured bonds have a fixed term.	747	747
Total						3,229	2,493

¹ AM Best debt rating; S&P debt rating.

FAIR VALUE OF NOTES PAYABLE AND LOANS

EUR million	30.06.2024	31.12.2023
Amortised cost	4,097	3,395
Unrealised gains/losses	-48	—
Fair value	4,049	3,395

Notes to the consolidated statement of income

(12) Insurance revenue

EUR million	6M 2024	6M 2023
Contracts not measured under the PAA		
Experience adjustments related to past or current services	451	536
CSM recognised for services provided	2,027	1,712
Changes in risk adjustment for non-financial risk for risk expired	371	329
Expected incurred claims and other insurance service expenses	10,971	10,068
Amortised insurance acquisition cash flows	987	682
Total	14,807	13,327
Contracts measured under the PAA		
	8,799	7,535
Total insurance revenue	23,606	20,862

(13) Net insurance financial result

The following table shows the Group's net insurance financial result, divided into items through profit or loss and items through other comprehensive income.

EUR million	6M 2024	6M 2023 ¹
Investment income for own risk	3,207	2,676
Investment expenses for own risk	-1,020	-950
Investment income for the account and risk of life insurance policyholders	1,273	827
Investment expenses for the account and risk of life insurance policyholders	-25	-48
Amounts recognised in other comprehensive income	-1,819	1,146
Total net investment income in the statement of income and other comprehensive income	1,615	3,652
Insurance finance income and expenses		
Net insurance finance income or expenses from insurance contracts issued		
Changes in the fair value of underlying items of direct participating contracts	-1,022	-1,928
Interest accreted	-883	-574
Effect of changes in interest rates and other financial assumptions	652	-344
Net foreign exchange loss	-627	278
Total net finance income or expenses from insurance contracts issued in the statement of income and other comprehensive income	-1,881	-2,568
of which recognised in profit or loss	-3,343	-1,532
of which recognised in other comprehensive income	1,462	-1,036
Net insurance finance income or expenses from reinsurance contracts held		
Interest accreted	65	49
Effect of changes in interest rates and other financial assumptions	3	34
Currency effects	109	-46
Total net insurance finance income or expenses from reinsurance contracts held in the statement of income and other comprehensive income	177	38
of which recognised in profit or loss	174	19
of which recognised in other comprehensive income	3	19
Total net insurance financial result in the statement of income and other comprehensive income	-1,704	-2,530
Correction for currency result from net insurance financial result	519	-232
Total net insurance financial result before currency effects in the statement of income and other comprehensive income	-1,185	-2,762
Total net insurance financial and investment result before currency effects in the statement of income and other comprehensive income		
of which recognised in profit or loss	784	760
of which recognised in other comprehensive income	-354	129

¹ Adjusted in accordance with IAS 8, see 2023 Annual Report, "Accounting policies" section of the Notes.

(14) Net investment income**NET INVESTMENT INCOME**

EUR million	6M 2024	6M 2023
Income from real estate	230	217
Dividends ¹	93	65
Current interest income	1,964	1,651
Income from investment contracts	149	87
Current income from investment funds	158	149
Other income	62	95
Ordinary investment income	2,657	2,264
Income from reversal of impairment losses	2	—
Realised gains on disposal of investments	77	44
Investment income from fair value changes	471	367
Investment income for own risk	3,207	2,676
Realised losses on disposal of investments and expenses	−196	−299
Investment losses from fair value changes	−436	−353
Expenses from investment contracts	−147	−86
Depreciation of/impairment losses on investment property		
Depreciation	−33	−29
Change in expected credit loss	4	9
Amortisation of/impairment losses on other investments		
Amortisation	−16	−16
Investment management expenses	−97	−93
Other expenses	−99	−82
Investment expenses for own risk	−1,020	−950
Net investment income for own risk	2,186	1,726
Investment income for the account and risk of life insurance policyholders	1,273	827
Investment expenses for the account and risk of life insurance policyholders	−25	−48
Net investment income for the account and risk of life insurance policyholders	1,248	779
Net investment income	3,434	2,506

¹ Net income from shares in associates and joint ventures is reported under dividends.

(15) Net investment income by investment type

Including net investment income for the account and risk of life insurance policyholders (EUR 1,248 [779] million), total net investment income as at the reporting date amounted to EUR 3,434 (2,506) million.

NET INVESTMENT INCOME BY ASSET PER CLASS

EUR million	6M 2024	6M 2023
Shares in affiliated companies, associates and joint ventures	90	23
Investment property	56	82
Financial instruments measured at cost	15	11
Financial instruments measured at fair value through other comprehensive income		
Debt instruments	1,654	1,254
Equity instruments	31	38
Financial instruments measured at fair value through profit or loss		
Debt instruments	43	42
Equity instruments	36	9
Derivatives (assets)	49	49
Derivatives (liabilities)	−29	36
Funds classified as at fair value through profit or loss	185	135
Short-term investments	124	29
Investments relating to investment contracts	20	93
Liabilities relating to investment contracts	−18	−28
Remaining Investments	−72	−47
Investments for own risk	2,186	1,726

(16) Other income/expenses

OTHER INCOME/EXPENSES

EUR million	6M 2024	6M 2023
Other income		
Income from services, rents and commissions	237	178
Recoveries on receivables previously written off	—	2
Income from the disposal of property, plant and equipment	1	3
Income from the reversal of other non-technical provisions	13	15
Interest income	74	38
Miscellaneous other income	172	11
Total	498	247
Other expenses		
Other interest expense	-70	-59
Depreciation, amortisation and impairment losses	-37	-19
Personnel expenses	-29	-11
Expenses for services and commissions	-129	-89
Other taxes	-59	-36
Expenses for restructuring provisions	-5	—
Miscellaneous other expenses	-702	-499
Total	-1,031	-713
Other income/expenses	-534	-466
Of which monetary gains and losses according to IAS 29	35	26

The “Other income/expenses” item does not generally include personnel expenses incurred by our insurance companies that are allocated to the individual functions concerned during cost object accounting and contained in investment expenses and insurance service expenses. The same principle also applies to depreciation and amortisation of, and impairment losses on, intangible and other assets at our insurance companies.

Other disclosures

Number of employees

The Group’s total workforce as at the reporting date numbered 29,572 (27,863).

Related party disclosures

Related parties in the Talanx Group include HDI Haftpflichtverband der Deutschen Industrie Versicherungsverein auf Gegenseitigkeit (HDI V.a.G.), Hannover, which directly holds the majority of the shares of Talanx AG, all subsidiaries that are not consolidated on the grounds of insignificance and associates and joint ventures. Pension funds (“Versorgungskassen”) that pay benefits in favour of employees of Talanx AG or one of its related parties after their employment has ended also fall within this category. Individuals classed as related parties are the members of the Board of Management and the Supervisory Board of Talanx AG and HDI V.a.G.

Transactions between Talanx AG and its subsidiaries (including structured entities) are eliminated in the course of consolidation and are therefore not disclosed in the Notes. In addition, HDI V.a.G. conducts primary insurance business in the form of co-insurance, with the lead insurer being HDI Global SE, Hannover. In accordance with the Articles of Association of HDI V.a.G., the insurance business is split uniformly in the ratio of 0.1% (HDI V.a.G.) to 99.9% (HDI Global).

On 15 April 2024, Talanx AG issued a senior unsecured bond with a value of EUR 750 million as part of a private placement. The bond’s sole subscriber was HDI V.a.G. The issued bond is listed on the Luxembourg Stock Exchange, matures on 23 July 2026, has a fixed coupon of 2.5% per annum and was issued at a price of 97.798%.

Talanx AG had repaid the master agreement concluded with HDI V.a.G. in 2021 and valid until 2026, which was structured in the form of a subordinated bond, in full as at the reporting date.

Talanx AG issued two senior unsecured bonds with a total volume of EUR 1.25 billion on 18 October 2022. EUR 750 million of this was subscribed by HDI V.a.G.

Other business relationships with unconsolidated companies or with associates and joint ventures are insignificant overall.

Other disclosures on financial instruments

As at the reporting date, the Group recognised securities in the “financial instruments measured at fair value through OCI” category that were sold to third parties with a repurchase commitment at a fixed price (genuine repurchase transactions). This is because the material opportunities and risks in connection with the financial

assets remained within the Group. As at the reporting date, the carrying amount of transferred financial assets from repo transactions was EUR 232 (476) million with that of the associated liabilities at EUR 233 (462) million. The difference between the amount received for the transfer and the amount agreed for the return of the assets is allocated for the term of the repurchase transaction and recognised in net investment income.

Litigation

We were not involved in any significant new litigation in the reporting period or at the end of the reporting period in comparison to 31 December 2023.

Earnings per share

Earnings per share is calculated by dividing the Group net income attributable to the shareholders of Talanx AG by the average number of shares outstanding. There were no dilutive effects requiring to be recognised separately when calculating earnings per share, either at the reporting date or in the prior year. In the future, earnings per share may be potentially diluted as a result of share or rights issues from contingent or authorised capital.

EARNINGS PER SHARE

	6M 2024	6M 2023
Net income attributable to shareholders of Talanx AG used to calculate earnings per share (EUR million)	1,090	827
Weighted average number of ordinary shares outstanding	258,228,991	253,350,943
Basic earnings per share (EUR)	4.22	3.26
Diluted earnings per share (EUR)	4.22	3.26

Dividend per share

In the second quarter of 2024, a dividend of EUR 2.35 per share was paid for financial year 2023 (in 2023 for financial year 2022: EUR 2.00), resulting in a total distribution of EUR 607 (507) million.

Contingent liabilities and other financial commitments

As at 30 June 2024, the amounts used to collateralise potential technical obligations from ILS transactions in the Reinsurance Division increased to EUR 6,960 (5,112) million. Beyond this, there were no significant changes in contingent liabilities or other financial commitments in the reporting period compared with 31 December 2023.

Revenue

Revenue from contracts with customers covered by IFRS 15 is largely recognised over time and can be broken down as follows:

REVENUE CATEGORY

EUR million	6M 2024	6M 2023
Capital management services and commission ¹	122	94
Other insurance-related services ²	116	85
Income from infrastructure investments ³	33	47
Total revenue⁴	271	225

¹ Largely time-based revenue recognition.

² Largely at a point in time revenue recognition.

³ Time-based revenue recognition.

⁴ Revenue is recognised in the statement of income under "7.a. Other income" EUR 227 (167) million and under "4.a. Investment income for own risk" EUR 44 (58) million.

Events after the end of the reporting period

At the beginning of July 2024, tropical cyclone "Beryl" hit the Caribbean, parts of Central America and the United States, causing extensive damage. The extent of the losses insured by our subsidiary Hannover Rück SE cannot yet be conclusively estimated, but the overall impact of large losses is expected to lie in the high double-digit to low triple-digit million range and is unlikely to exceed our expectations for such events in the third quarter.

Prepared and hence authorised for publication on 6 August 2024 in Hannover.

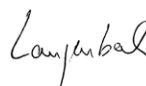
The Board of Management



Torsten Leue,
Chairman



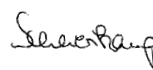
Jean-Jacques Henchoz



Dr Wilm Langenbach



Dr Edgar Puls



Caroline Schlienkamp



Jens Warkentin



Dr Jan Wicke

Review Report

To Talanx AG, Hannover

We have reviewed the condensed consolidated interim financial statements – comprising the consolidated balance sheet, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement and selected explanatory notes – and the interim group management report of Talanx AG, Hannover, for the period from January 1 to June 30, 2024 which are part of the half-year financial report pursuant to § (Article) 115 WpHG (“Wertpapierhandelsgesetz”: German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the Company’s Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Hanover, August 6, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Martin Eibl
Wirtschaftsprüfer
(German Public Auditor)

sgd. ppa. Philipp Rütter
Wirtschaftsprüfer
(German Public Auditor)

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Hannover, 6 August 2024

Board of Management



Torsten Leue,
Chairman



Jean-Jacques Henchoz



Dr Wilm Langenbach



Dr Edgar Puls



Caroline Schlienkamp



Jens Warkentin



Dr Jan Wicke

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This interim report is a translation of the original German text;
the German version shall be authoritative in case of
any discrepancies in the translation.

Online Interim Report

<https://talanx.com/investor-relations>

Financial calendar 2024

14 November

Quarterly Statement as at 30 September

11 December

Capital Markets Day

