

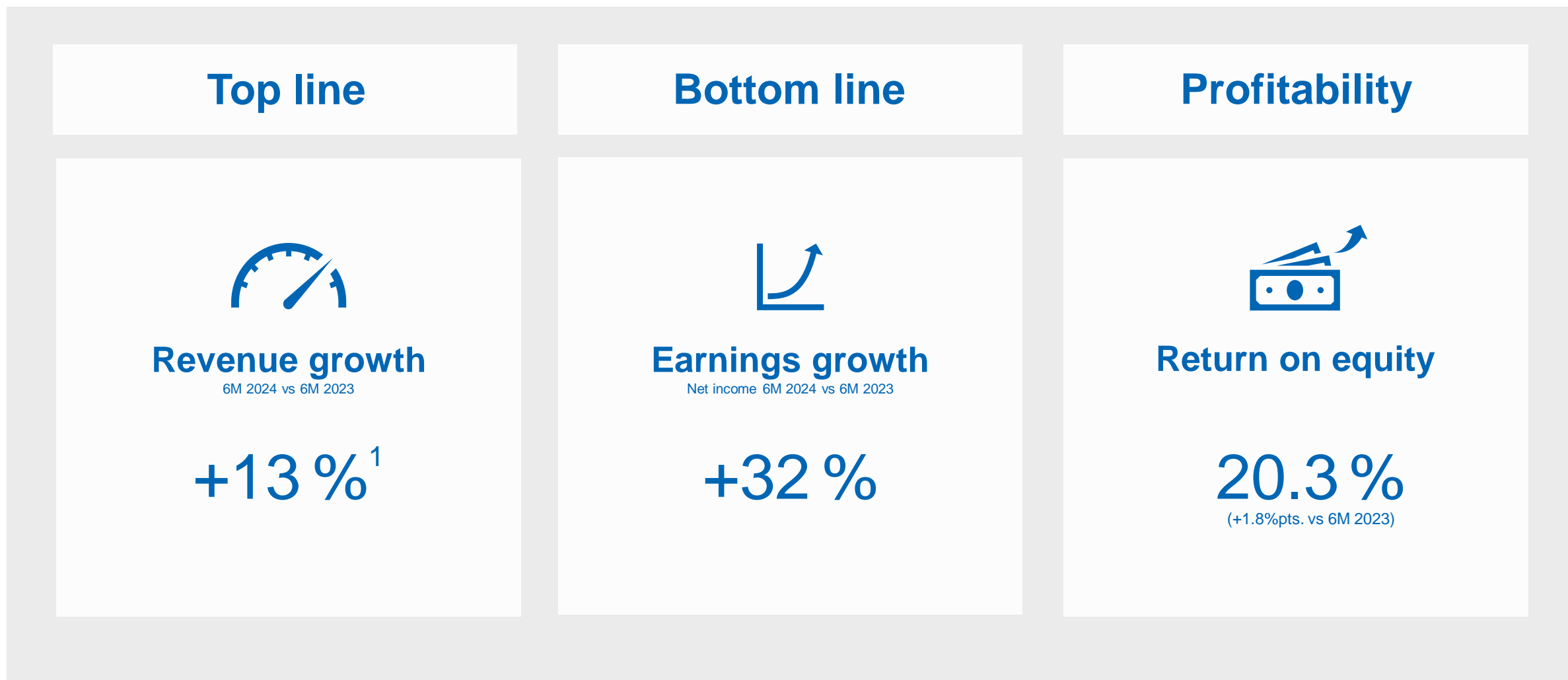


# ■ 6M 2024 Results

Jan Wicke, CFO

14 August 2024

# ■ Exceptionally strong and profitable growth continues



<sup>1</sup> Currency adjusted:14%

# Agenda

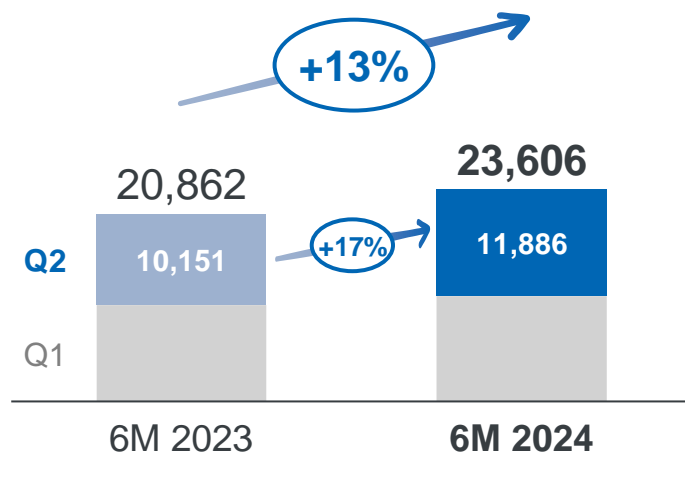


- 1** Group financials
- 2 Segments
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- 4 Group outlook
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# 1 Strong double-digit top and bottom line growth

## Insurance revenue

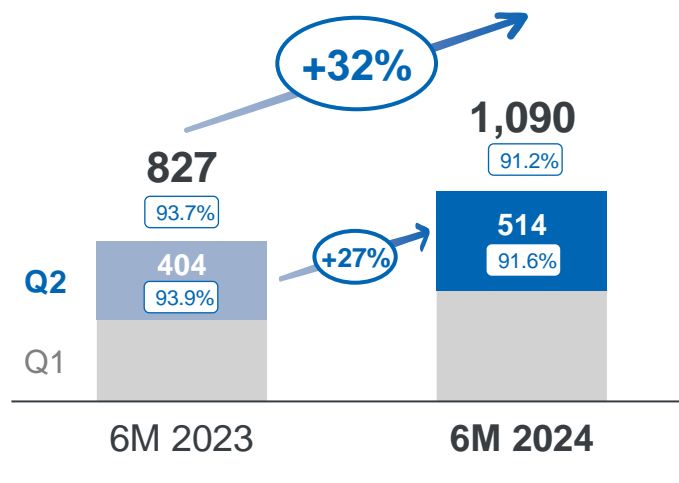
in EURm



Double-digit organic growth in Primary Insurance<sup>1</sup>

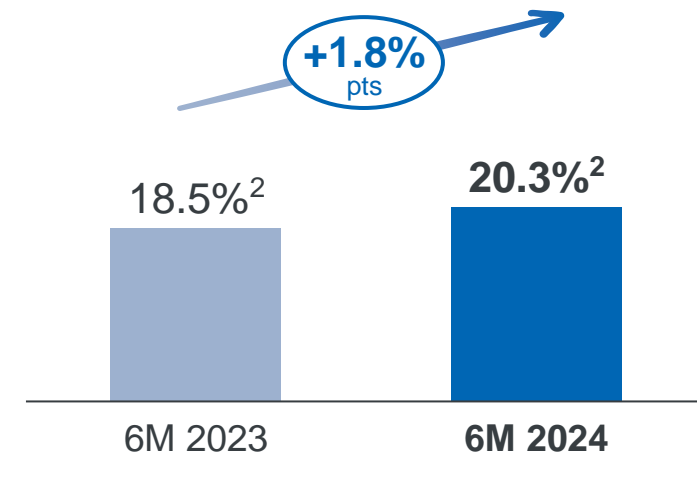
## Group net income

in EURm



First time over EUR 1bn after six months

## Return on equity



Strong technical profitability amplified by rising investment income

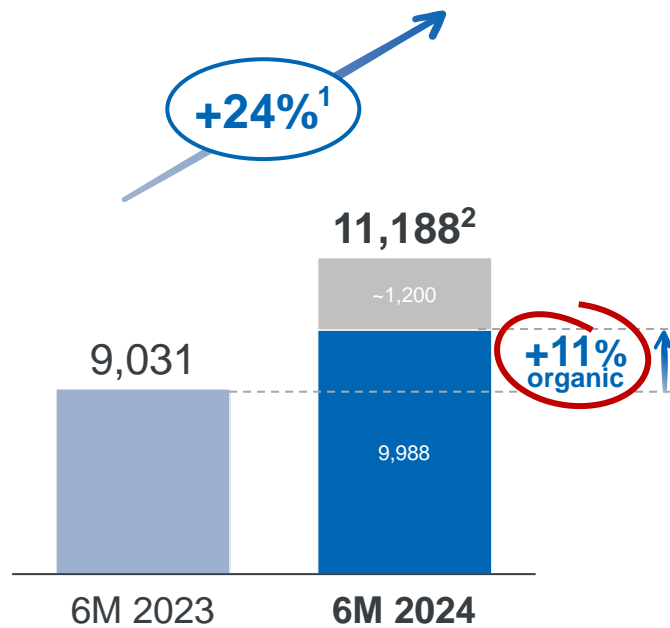
   = Combined ratio (net / gross) Property / Casualty

<sup>1</sup> YoY growth Primary Insurance +24% (excl. acquisitions: +11%) | <sup>2</sup> Return on equity for Q2 2023 = 17.5% and for Q2 2024 = 18.5% (Q2 2024 vs Q2 2023 = +1.0%pts)

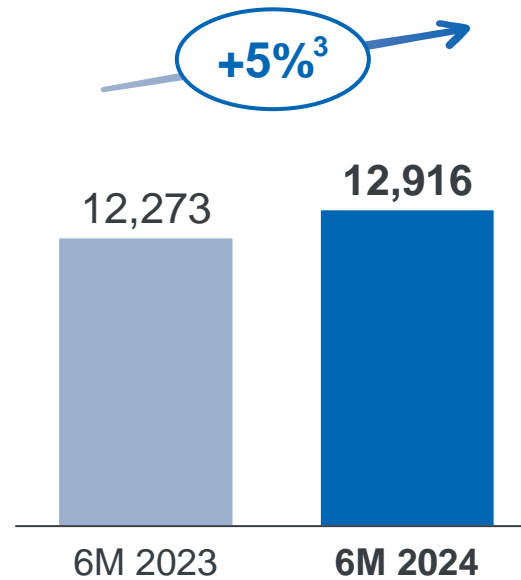
# 1 Reinsurance top-line strong - Primary Insurance even stronger...

## Primary Insurance

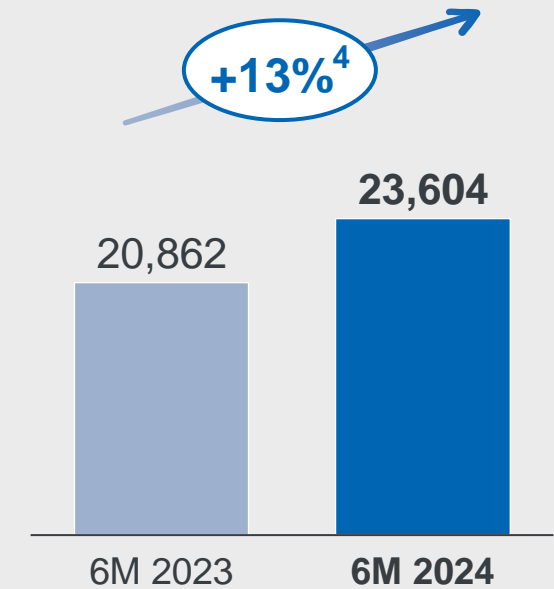
Insurance revenue, in EURm



## Reinsurance



## Group



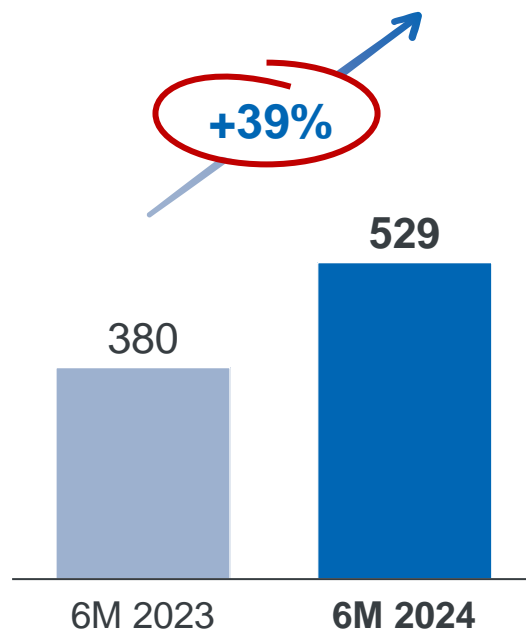
Note: Primary Insurance is the sum of Industrial Lines, Retail Germany and Retail International.

1 Currency-adjusted: +27% | 2 Thereof ~ EUR 1.2bn from acquisitions | 3 Currency-adjusted: +6% | 4 Currency-adjusted: +14%

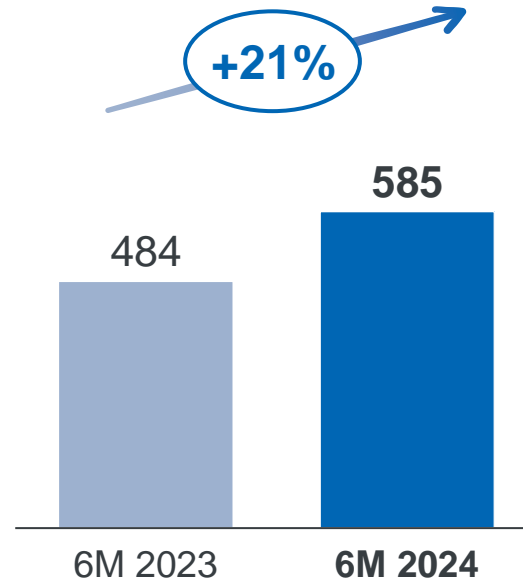
# 1 ... with even more pronounced bottom-line development

## Primary Insurance

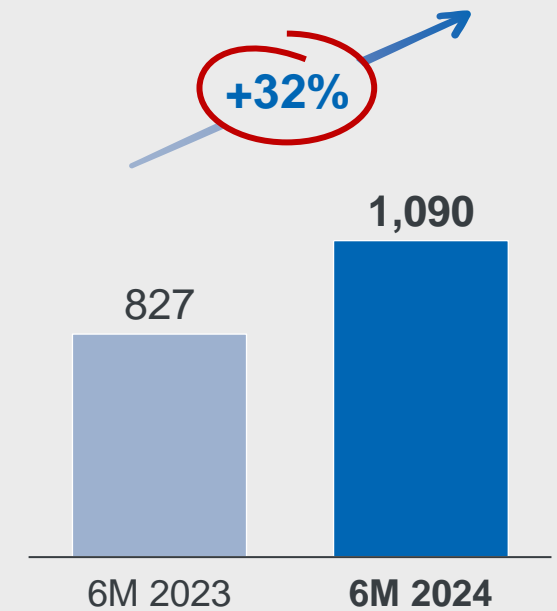
Net income, in EURm



## Reinsurance



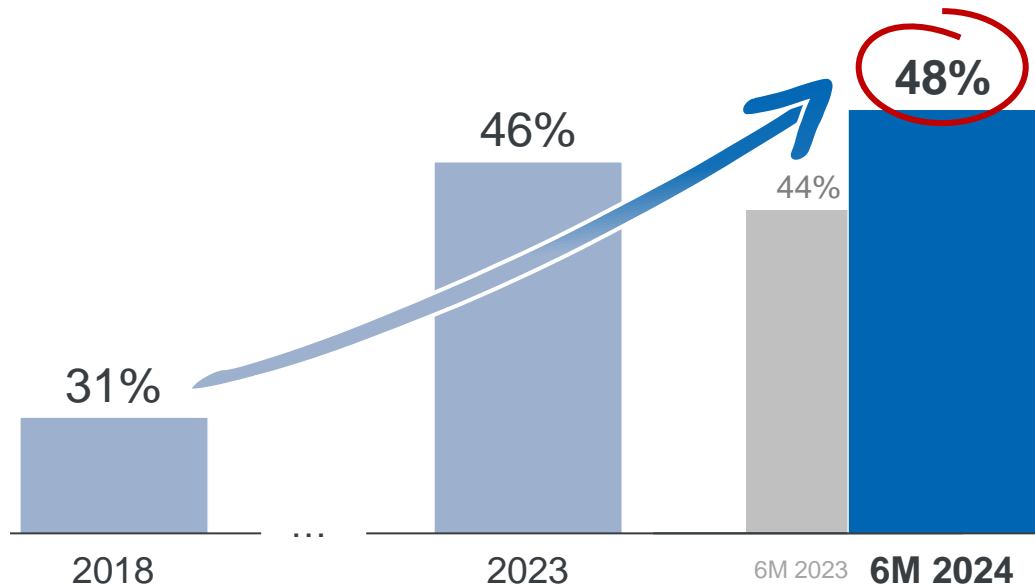
## Group



Note: Primary Insurance is the sum of Industrial Lines, Retail Germany and Retail International.

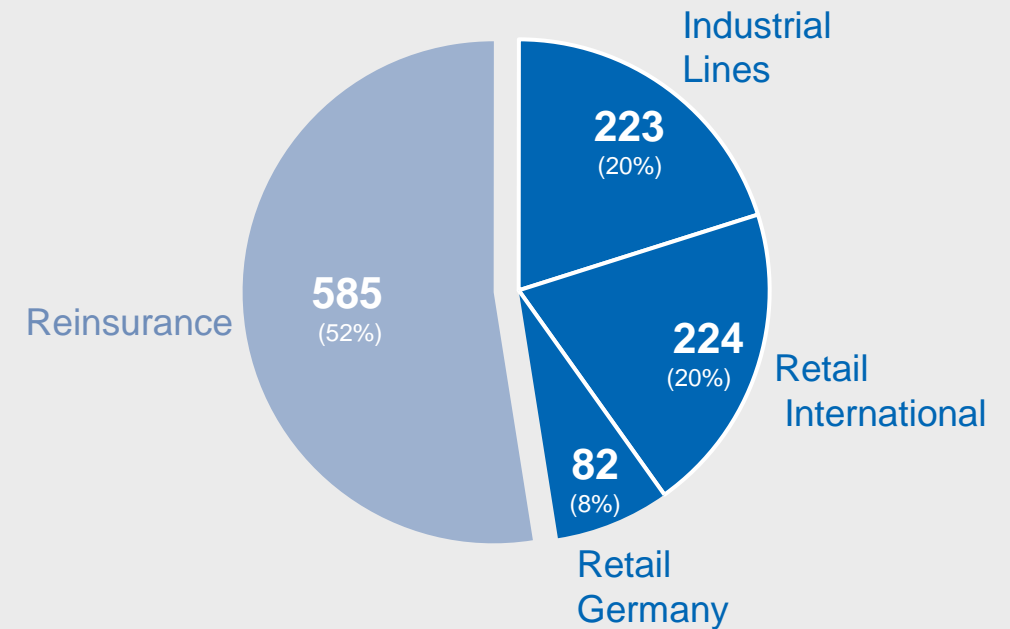
# 1 Primary Insurance profit contribution moving closer to 50%

## Primary Insurance contribution to group net income



## Net income split

6M 2024, in EURm

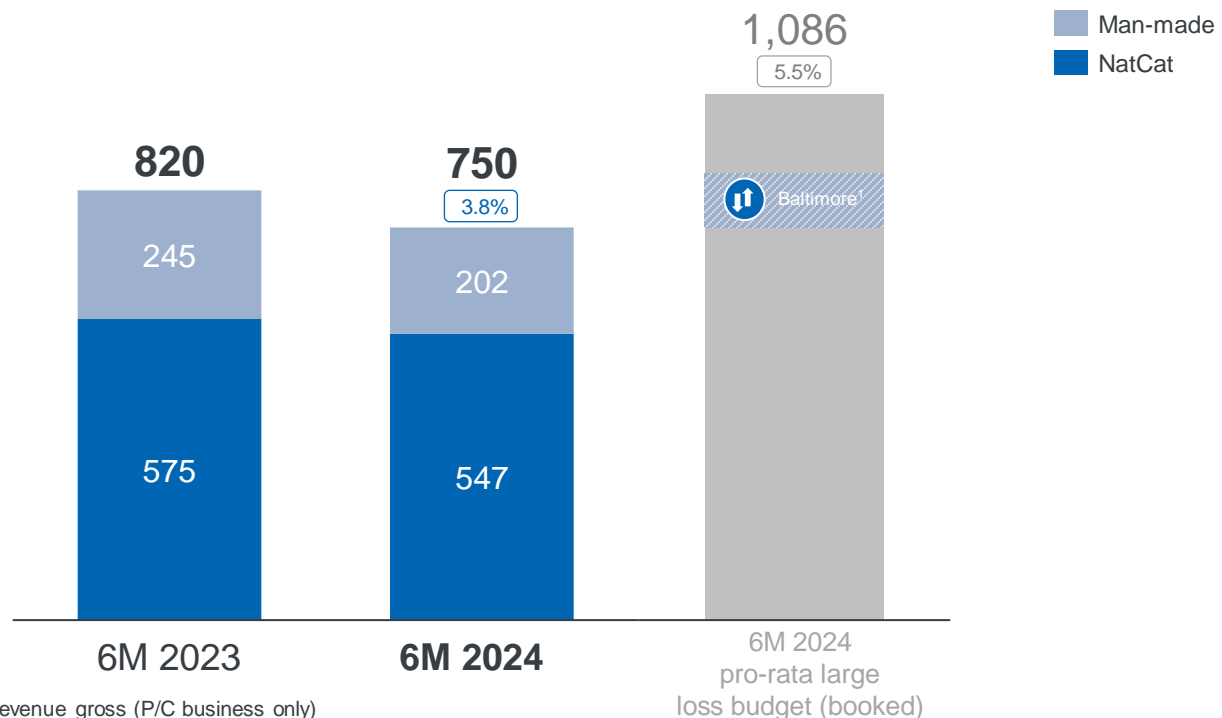


Note: Primary Insurance is the sum of Industrial Lines, Retail Germany and Retail International. Percentages are calculated in percent of Group net income adjusted for Corporate Operations and Consolidation. Sums may not add up due to rounding differences

# 1 Going into hurricane season with large-loss buffer

## Net large losses

in EURm



   = in % of insurance revenue gross (P/C business only)

Note: Definition "large loss": In excess of EUR 10m gross in either Primary Insurance or Reinsurance

1 Losses caused by the collapse of the bridge in Baltimore cannot yet be estimated and are therefore part of the booked but not yet utilised large loss budget. Hurricane Beryl is a Q3 2024 event.

2 Source: National Oceanic and Atmospheric Administration predicts 85% chance of severe hurricane season and Colorado State University predicts 25 storms

8 6M 2024 Results | 14 August 2024

### TOP 3 large losses

Flood Germany EUR 174m  
 Flood Brazil EUR 101m  
 Riots New Caledonia EUR 82m

Reinsurance within budget<sup>1</sup> and  
 Primary Insurance EUR 84m  
 below budget

2024 hurricane season  
 predicted to be severe<sup>2</sup>



# 1 Guidance for FY 2024 to be reviewed post Q3

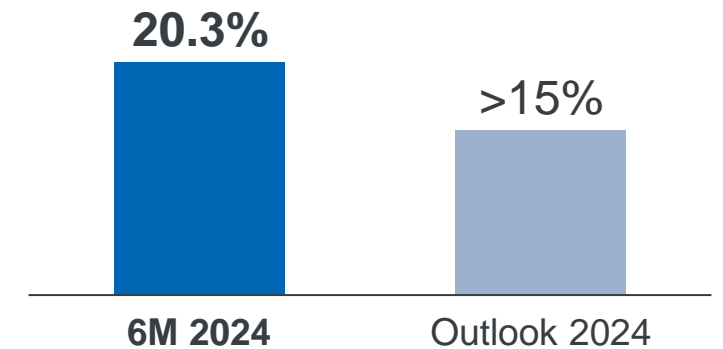
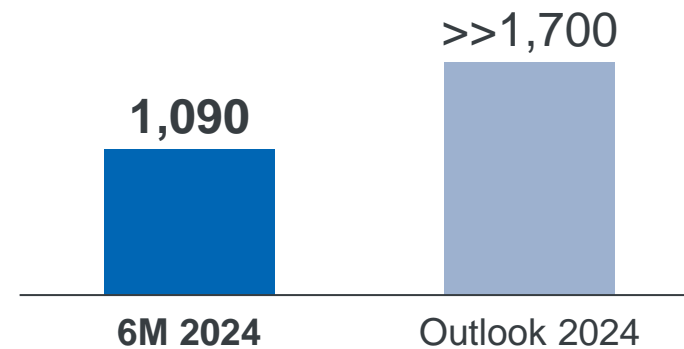
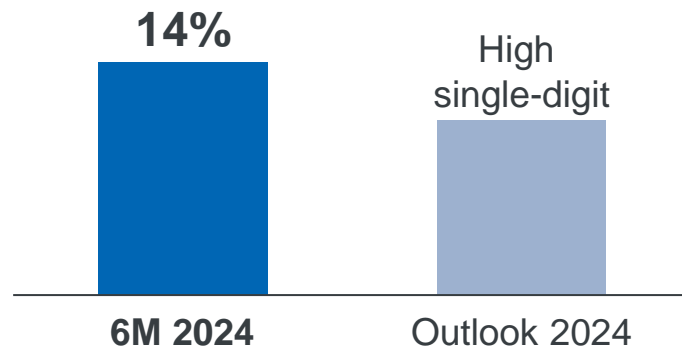
## Insurance revenue growth

(FX-adjusted)

## Group net income

## Return on equity

in EURm



Note: All targets are subject to large losses not exceeding the large loss budget, no turbulences on capital markets, and no material currency fluctuations. In addition, the targets may be subject to fluctuations due to the application of the IFRS 9 accounting standard for the valuation of the investment portfolio.

# ■ Agenda

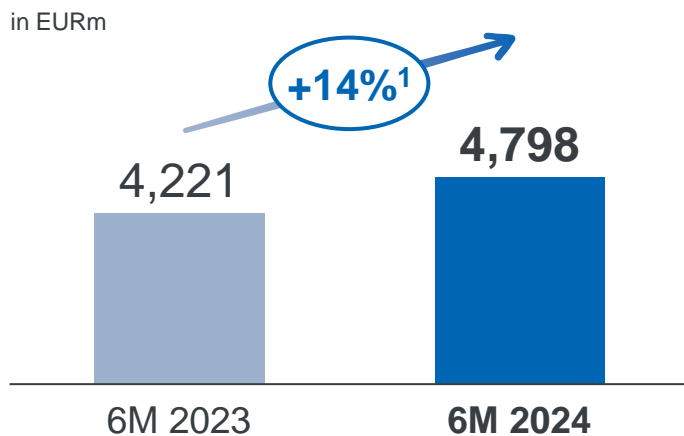


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# Industrial Lines

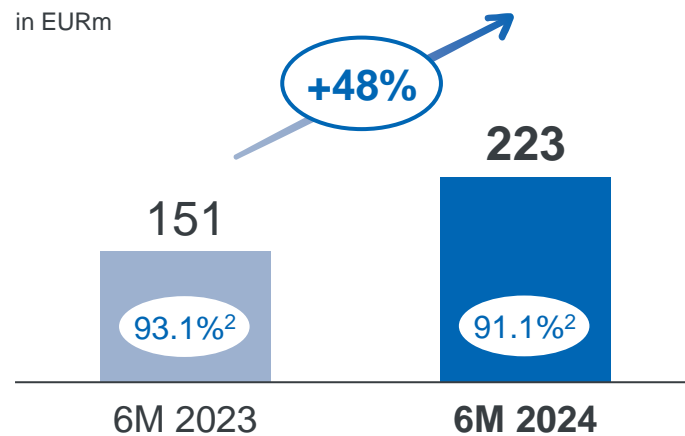
## 2 Continuous improvement of underwriting performance

### Insurance revenue



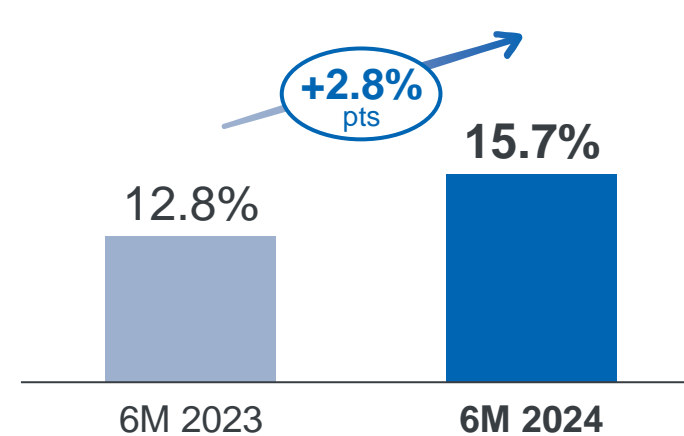
Double-digit growth from new business and rate changes

### Net income



Improved underwriting performance and EUR 86m large loss buffer for second half of 2024<sup>3</sup>

### Return on equity



Technical performance supported by improved investment income<sup>4</sup>

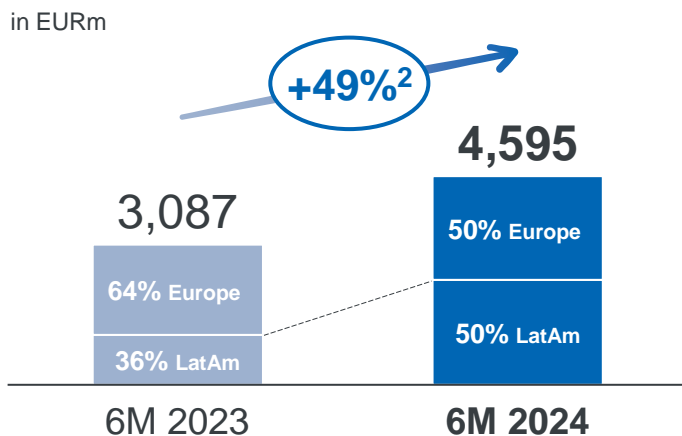
= Combined ratio (net / gross) Property / Casualty

<sup>1</sup> Currency-adjusted: +14% | <sup>2</sup> Combined ratio (net / gross): Insurance service expenses after reinsurance divided by insurance revenue before reinsurance | <sup>3</sup> Incurred large losses 6M 2024: EUR 128m (translates into 2.7%pts) vs booked budget 6M 2024: EUR 214m (translates into 4.5%pts) | <sup>4</sup> Net insurance finance and investment result improved from 6M 2023 EUR 49m to 6M 2024 EUR 68m; RoI 6M 2024: 2.7% vs RoI 6M 2023: 1.8%

# Retail International

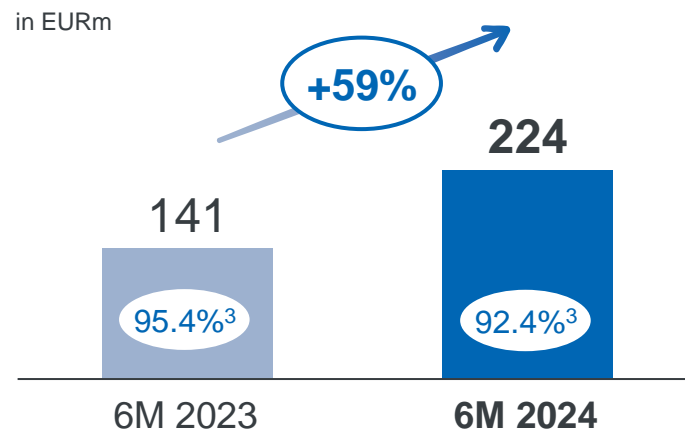
## 2 Strong organic growth and profitability boosted by LatAm acquisition

### Insurance revenue<sup>1</sup>



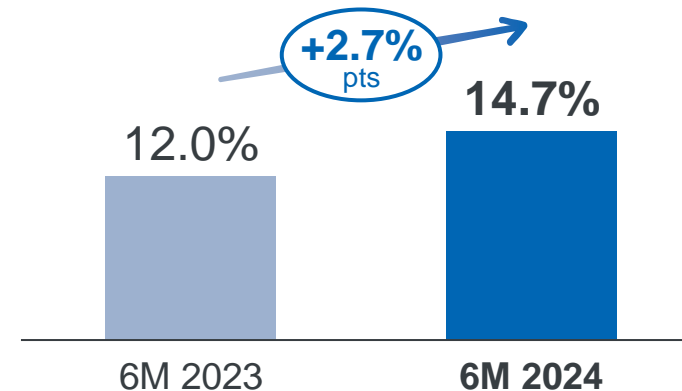
Double-digit organic growth boosted by LatAm acquisition<sup>2</sup>

### Net income



Bottom line growing stronger than top line due to technical excellence

### Return on equity<sup>4</sup>



Improved RoE despite partial (internal) equity funding of LatAm acquisition

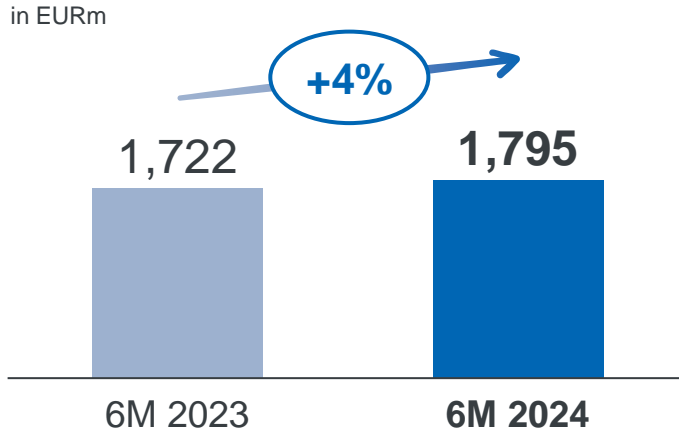
= Combined ratio (net / gross) Property / Casualty

<sup>1</sup> Full-year insurance revenue guidance adjusted from “low double digit” to “clearly double digit” growth for P/C and “mid-single digit” to “clearly double digit” growth for Life | <sup>2</sup> Currency-adjusted: +58% (organic growth currency-adjusted: 19%)  
<sup>3</sup> Combined ratio (net / gross): Insurance service expenses after reinsurance divided by insurance revenue before reinsurance | <sup>4</sup> Full-year RoE guidance adjusted from > 8.5% to > 10%

# Retail Germany

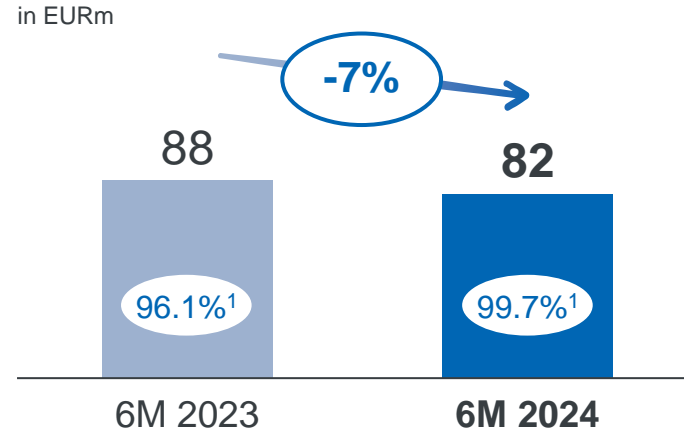
## 2 Mastering current headwinds

### Insurance revenue



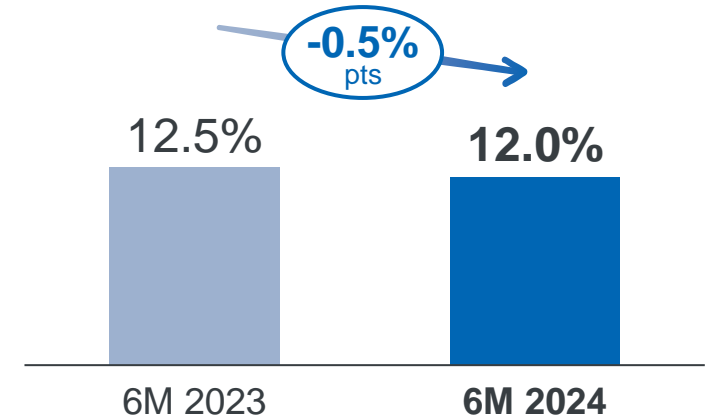
More selective underwriting

### Net income



Technical profitability also impacted by flood events (EUR 25m losses)

### Return on equity<sup>2</sup>



On track for full-year guidance

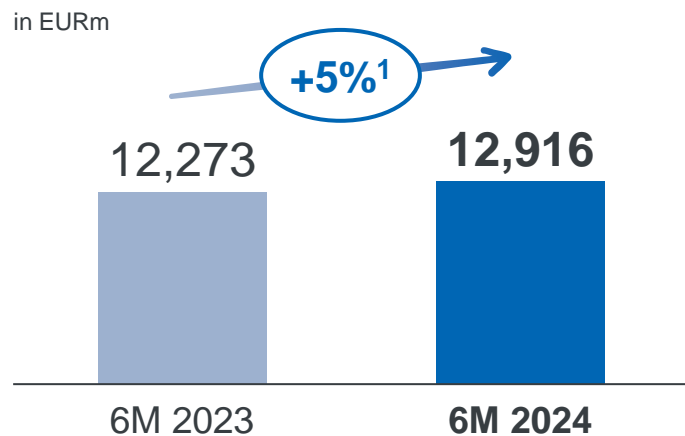
= Combined ratio (net / gross) Property / Casualty

<sup>1</sup> Combined ratio (net / gross): Insurance service expenses after reinsurance divided by insurance revenue before reinsurance | <sup>2</sup> RoE is including Asset Management contribution; RoE without Asset Management contribution was 11.8% for 6M 2023 and 10.4% for 6M 2024

# Reinsurance

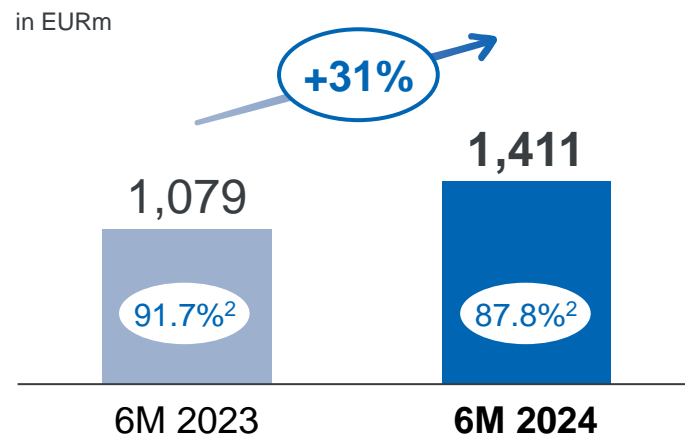
**2** RoE over 20%, clearly beating ambition level

## Insurance revenue



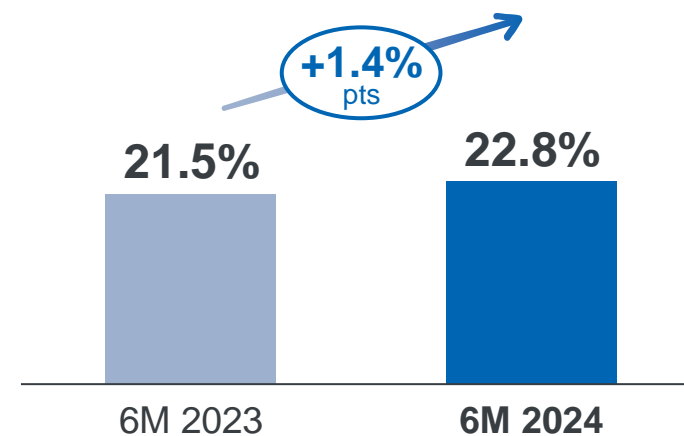
Continued growth in a favourable market environment

## Insurance service result (net)



Attractive underlying profitability

## Return on equity



Strong performance

= Combined ratio (net / net) Property / Casualty

<sup>1</sup> Currency-adjusted +6% | <sup>2</sup> Combined ratio (net / net): Insurance service expenses after reinsurance divided by insurance revenue after reinsurance

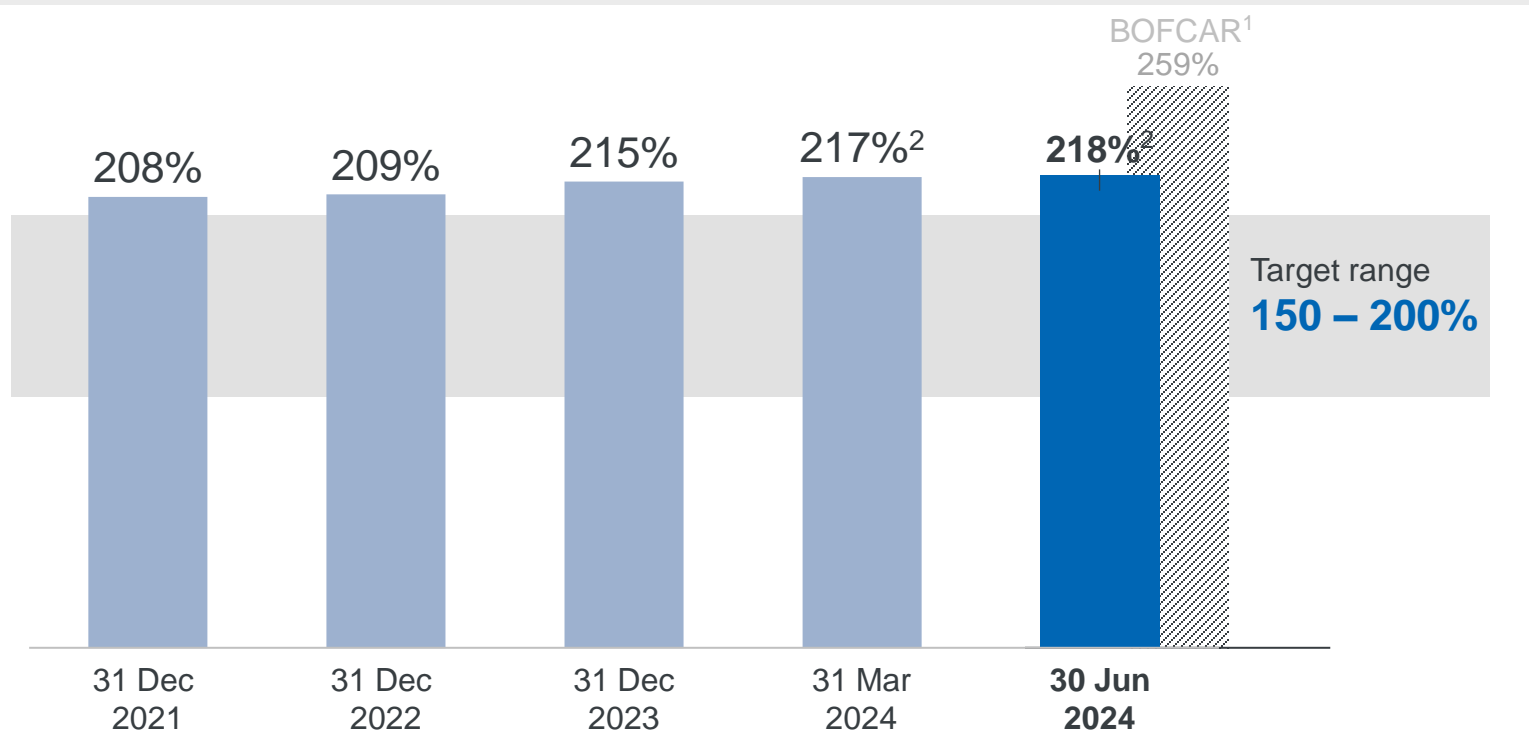
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### 3 Strong capital position

## High solvency



## Strong ratings

**S&P Global**  
Ratings

**A+**  
(stable)

**AM**  
**BEST**  
SINCE 1899

**A+**  
(stable)

Note: Insurer Financial Strength Rating

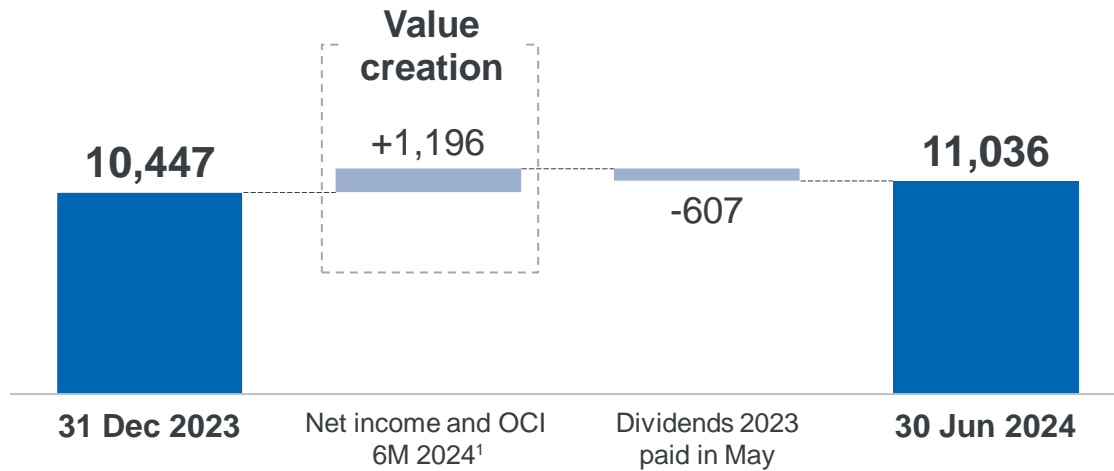
Note: Solvency 2 ratio of HDI Group as the regulated entity, as of period end excluding transitional measures. Due to a recalculation of the transitional measures, the Solvency 2 ratio including transitional measures as of 30 June 2024 is also 218%. | 1 Economic funds excl. regulatory haircut for Hannover Re minorities | 2 Does not include any deduction for the financial year 2024 dividend to be paid in 2025, which differs from the regulatory view that requires the deduction of the full-year dividend. Accrual of dividend for 2024 would impact the S2 ratio by ~ 1-2%-pts.



### 3 Strong capital generation

## Shareholders' equity development

After taxes and minorities, in EURm



## Value per share<sup>2</sup>

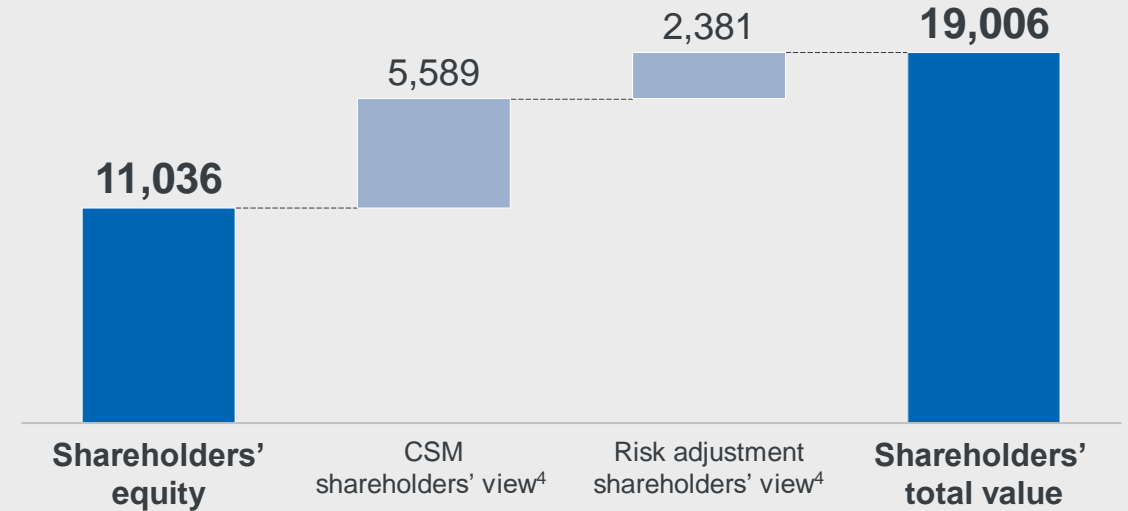
in EUR

40.46

42.74<sup>3</sup>

## Shareholders' capital components

After taxes and minorities, as of 30 Jun 2024, in EURm



42.74<sup>3</sup>

21.64

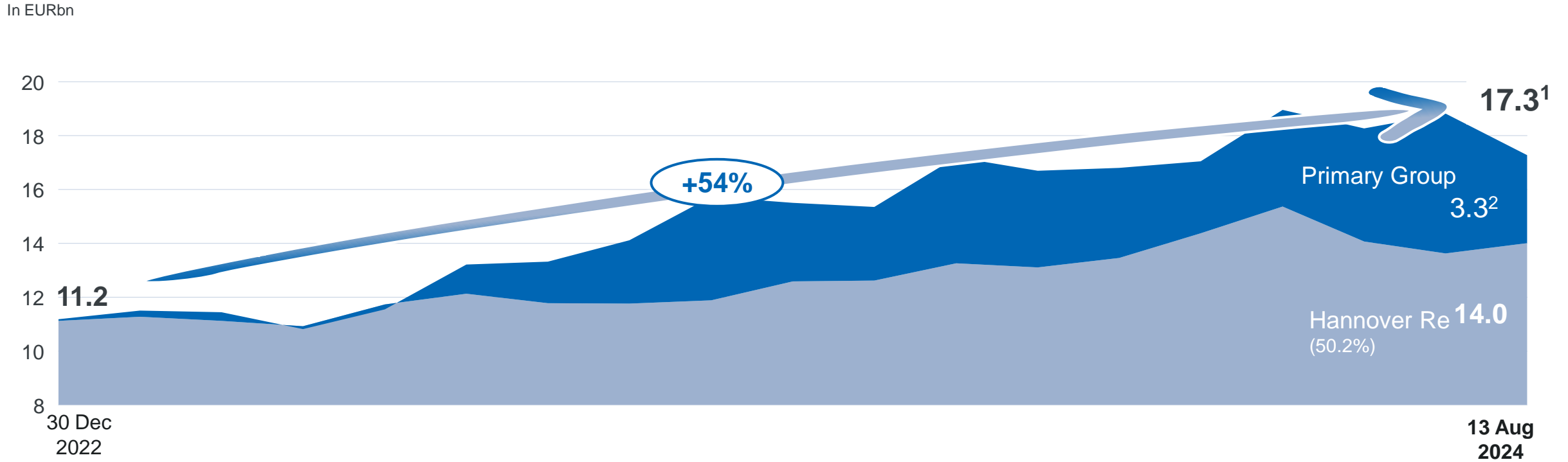
9.22

73.60<sup>3</sup>

<sup>1</sup> Net income and Other Comprehensive Income after minorities | <sup>2</sup> Based on 258,228,991 shares | <sup>3</sup> Incl. goodwill (shareholder's equity excl. goodwill: EUR 36.35) | <sup>4</sup> Based on flat / average tax rates and minorities

### 3 Implied Primary Group valuation has further increased in 2024

## Development of market capitalisation



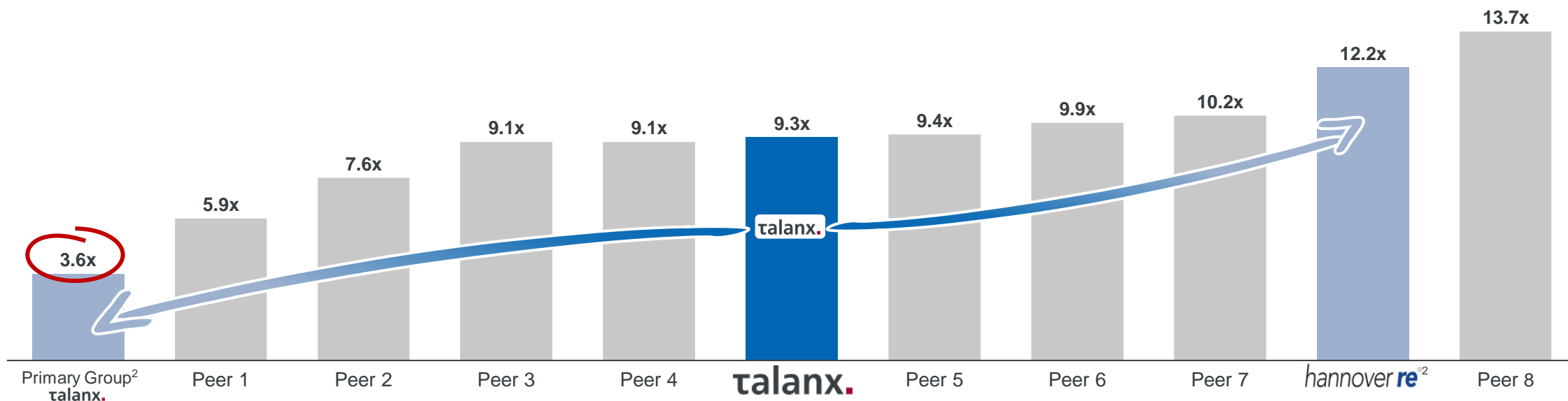
Source: FactSet | Note: Primary Group is here defined as Talanx market cap minus half of Hannover Re market cap.

<sup>1</sup> Market capitalisation as of 13 August 2024 | <sup>2</sup> Implied valuation of Primary Group = EUR 3.3bn (based on Hannover Re market capitalisation of EUR 27.9bn as of 13 August 2024)

### 3 Primary Group valuation with more upside potential

## 2024 P/E multiple peer benchmarking<sup>1</sup>

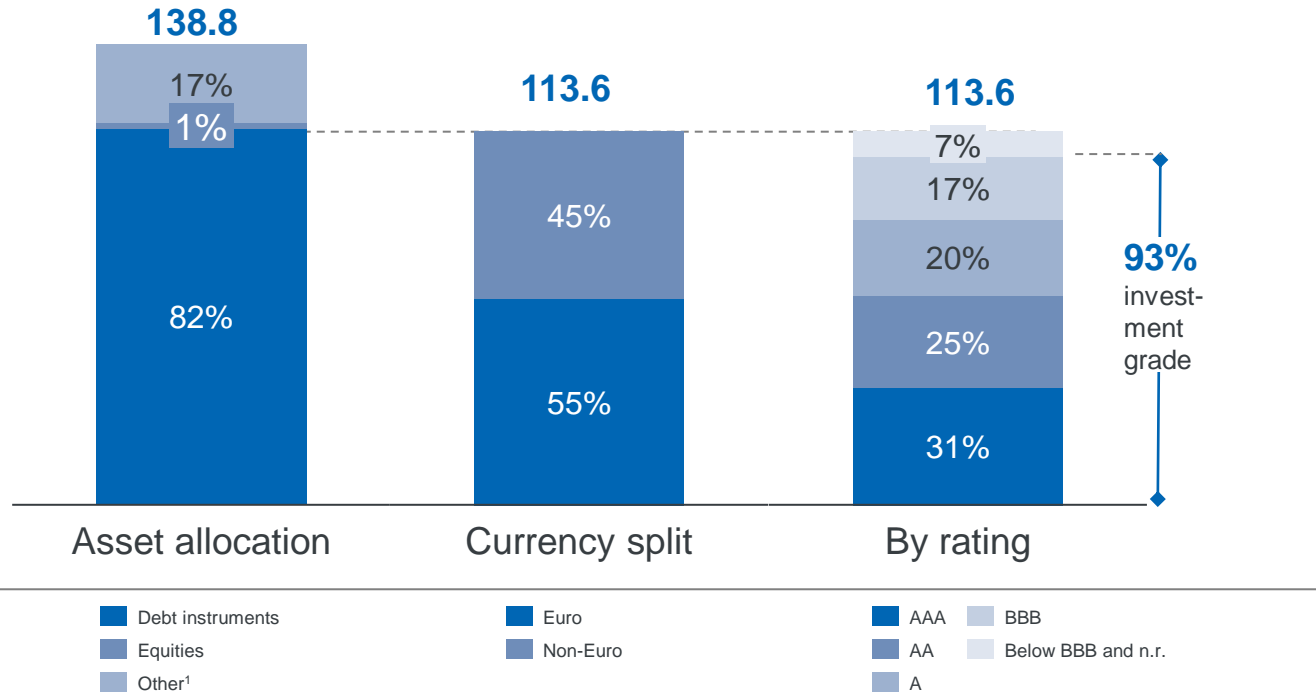
P/E 2024e, as of 13 August 2024



Source: Ampega Asset Management GmbH | 1 Multiple calculations based on net income 2024e as per company collated consensus of EUR 1.868 mn for Talanx Group, EUR 921 mn for Talanx Primary Insurance (sum of net income of Primary Group segments Industrial Lines, Retail Germany and Retail International) and EUR 1.114 mn for Reinsurance | 2 Implied valuation of Primary Group = EUR 3.3bn (based on Hannover Re market capitalisation of EUR 27.9bn as of 13 August 2024) divided by EUR 921 mn primary Group net income based on company collated analysts' consensus

### 3 Unchanged low-beta strategy with high quality investment portfolio

## Investments for own risk



Debt Instruments mainly (68%) invested in government and covered bonds

Equity share in current year reduced by 26%

Shrinking portion of Euro investments

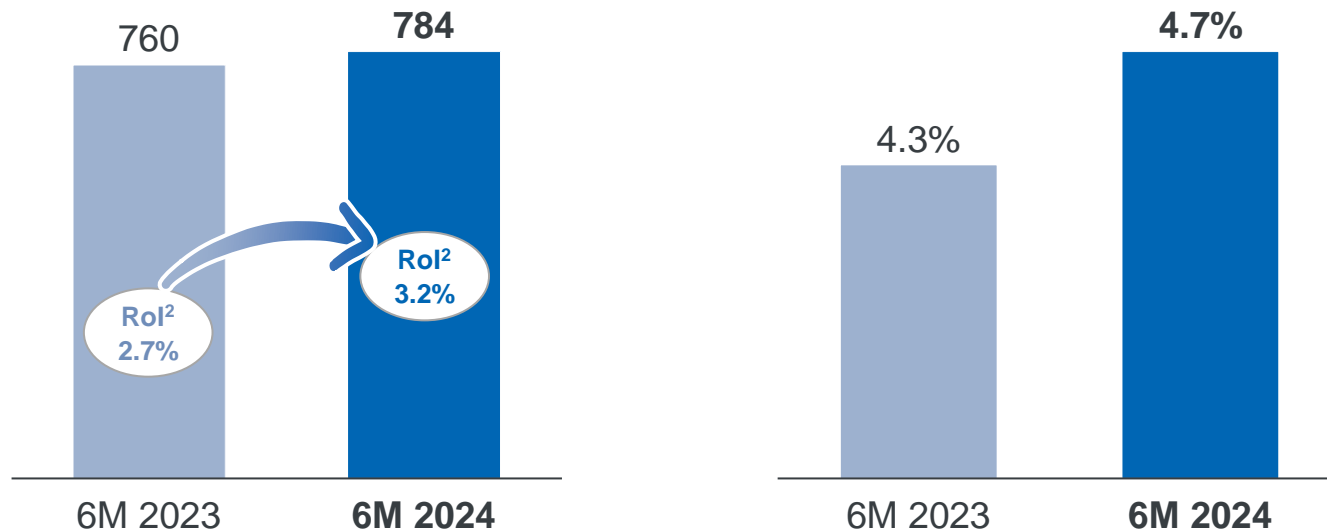
Note: "Below BBB and n.r." includes non-rated bonds  
<sup>1</sup> Includes mainly private equity, real estate and infrastructure investments

### 3 Group investment portfolio increasingly reflecting higher interest rate environment

## Net insurance finance and investment result<sup>1</sup>

## ∅ reinvestment yield<sup>3</sup>

in EURm



Strong ordinary investment result  
+EUR 324m versus 6M 2023  
mainly benefiting from  
higher interest rates

Average portfolio duration  
of 6.63 years

EUR 74m realised losses  
on bond portfolio in P/C

<sup>1</sup> Before currency effects

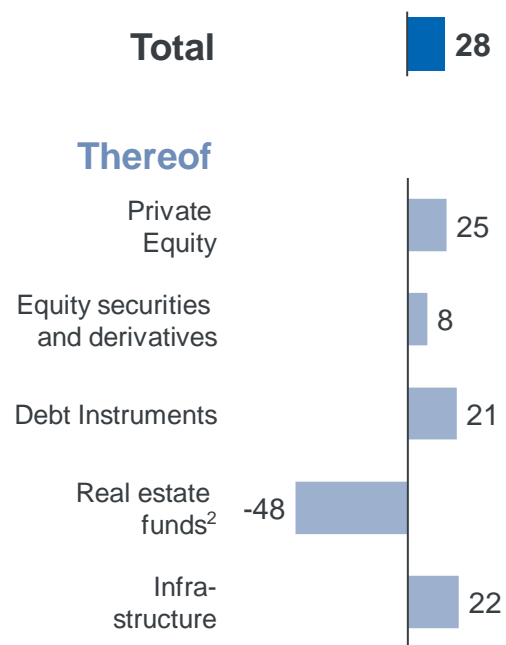
<sup>2</sup> Net return on investments for own risk: Income from investments for own risk divided by average investments for own risk

<sup>3</sup> On fixed income securities

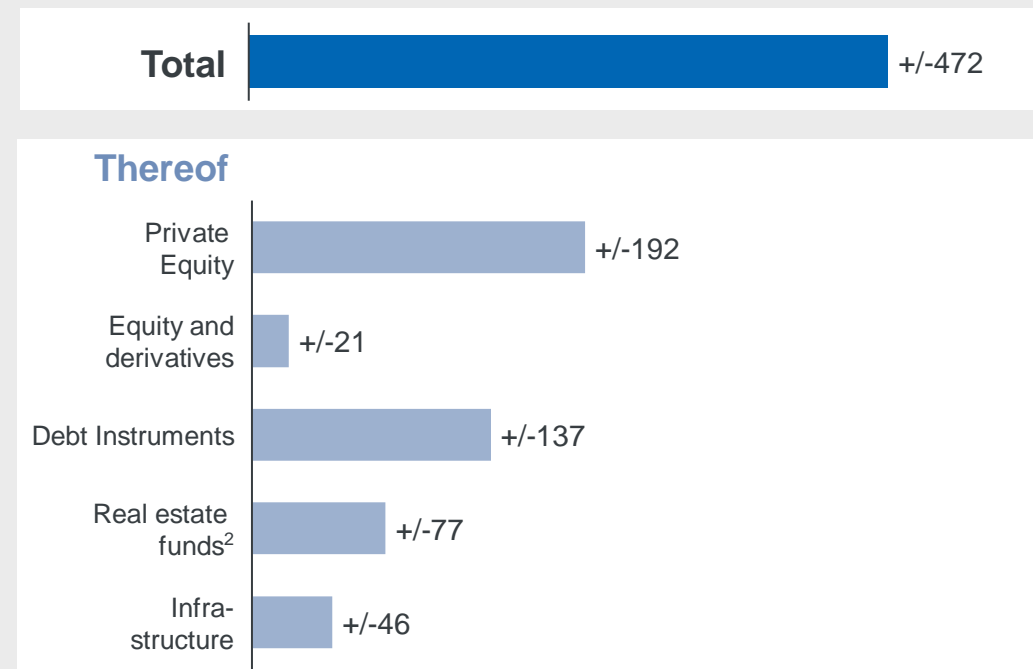
### 3 Insignificant fair value changes on FVPL assets in 6M 2024

## Actual P&L impact 6M 2024

Shareholder view: Without Primary Life, after taxes and without minorities<sup>1</sup>, in EURm



## P&L impact of “+/-10% scenario”<sup>1</sup>



<sup>1</sup> Based on flat / average tax rates and minorities on Talanx Group level

<sup>2</sup> Includes directly-held real estate in German life book (EUR 3.3bn), which is measured at fair value through p&L (FVPL) as well but has no bottom-line p&L impact for shareholders as it is held for the benefit of policyholders.

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## 4 Guidance for FY 2024 to be reviewed post Q3

Return  
on equity



> 15%

Group  
net income



>> EUR 1,700m

Dividend  
per share



EUR 2.50<sup>1</sup>  
(to be paid in 2025)

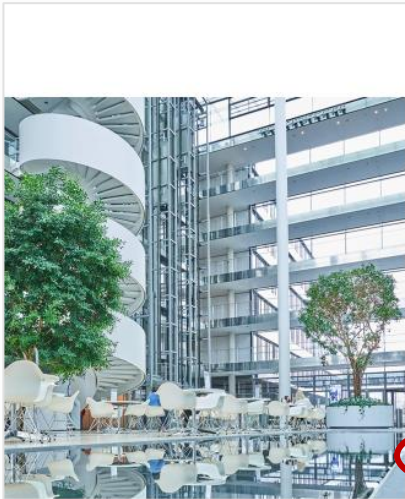
Note: All targets are subject to large losses not exceeding the large loss budget (EUR 2,435m for 2024), no turbulences on capital markets, and no material currency fluctuations. In addition, the targets may be subject to fluctuations due to the application of the new IFRS 9 accounting standard for the valuation of the investment portfolio.

<sup>1</sup> Subject to supervisory board and AGM approval



## 4 New financial mid-term targets @ CMD 2024

### Capital Markets Day 2024



■ Capital Markets Day 2024

11 December 2024



### New financial mid-term targets



Return on Equity



Net income



Dividend

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# 5 Talanx Primary Insurance and Reinsurance Contributions to net income

Net income attributable to Talanx AG shareholders, in EURm

		1	2	3	4	5	6	7	8
		Industrial Lines	Retail Germany	Retail International	∑ Primary Insurance	Reinsurance	Corporate Operations	Consolidations	Talanx Group
IFRS 4	2018	-16	102	161	247 31%	540 69%	-80	-4	703
	2019	103	133	164	400 39%	619 61%	-97	1	923
	2020	47	119	160	326 42%	442 58%	-117	-3	648
	2021	143	161	189	493 45%	609 55%	-105	14	1,011
	2022	177	150	214	541 43%	707 57%	-95	19	1,172
IFRS 17	2023	351	161	277	790 46%	917 54%	-87	-38	1,581
	6M 2024	223	82	224	529 48%	585 52%	-29	4	1,090

Note: Primary Insurance is the sum of Industrial Lines, Retail Germany and Retail International. Percentages are calculated in percent of Group net income adjusted for Corporate Operations and Consolidation

## 5 6M 2024 and 6M 2023 results overview – Talanx Group

EURm	6M 2023	6M 2024	6M 2024 / 6M 2023
<b>Insurance revenue (gross)</b>	<b>20,862</b>	<b>23,606</b>	<b>13.2%</b>
<b>Insurance service result (net)</b>	<b>1,627</b>	<b>2,320</b>	<b>42.5%</b>
<i>thereof Non-Life</i>	1,064	1,724	62.0%
Net investment income for own risk	1,726	2,186	26.6%
Result from unit-linked contracts	779	1,248	60.1%
Net insurance finance result before currency effects	-1,745	-2,651	-51.9%
<b>Net insurance finance and investment result before currency effects</b>	<b>760</b>	<b>784</b>	<b>3.1%</b>
Net currency result	36	-55	-252.1%
Other result	-466	-534	-14.5%
<b>Operating result (EBIT)</b>	<b>1,957</b>	<b>2,515</b>	<b>28.5%</b>
Financing costs	-120	-116	3.1%
Taxes on income	-450	-692	-53.9%
Minority interest on profit & loss	-561	-617	-10.0%
<b>Net income</b>	<b>827</b>	<b>1,090</b>	<b>31.8%</b>
<b>Earnings per share (EPS)<sup>1</sup></b>	<b>3.26</b>	<b>4.22</b>	<b>+0.96</b>
Combined ratio Property / Casualty (net / gross)	93.7%	91.2%	-2.5%pts
Tax ratio	24.5%	28.8%	4.4%pts
<b>Return on equity (RoE)</b>	<b>18.5%</b>	<b>20.3%</b>	<b>1.8%pts</b>
RoE adjusted for net income impact from fair value through p&l assets	18.2%	19.8%	1.6%pts
Return on investment for own risk	2.7%	3.2%	+0.5%pts

<sup>1</sup> Based on: 253,350,943 shares for 6M 2023 and 258,228,991 shares for 6M 2024

## 5 6M 2024 results overview - Segments

EURm	Industrial Lines		Retail Germany		Retail International		Primary Insurance		Reinsurance	
	6M 2023	6M 2024	6M 2023	6M 2024	6M 2023	6M 2024	6M 2023	6M 2024	6M 2023	6M 2024
<b>Insurance revenue (gross)</b>	4,221	4,798	1,722	1,795	3,087	4,595	9,031	11,188	12,273	12,916
<b>Insurance service result (net)</b>	<b>292</b>	<b>429</b>	<b>179</b>	<b>145</b>	<b>185</b>	<b>385</b>	<b>656</b>	<b>958</b>	<b>1,079</b>	<b>1,411</b>
Net investment income for own risk	108	186	531	642	252	359	890	1,187	866	1,028
Result from unit-linked contracts	0	0	754	1,229	25	19	779	1,248	0	0
Net insurance finance result before currency effects	-59	-118	-1,215	-1,835	-120	-178	-1,394	-2,131	-342	-500
<b>Net insurance finance and investment result before currency effects</b>	<b>49</b>	<b>68</b>	<b>70</b>	<b>36</b>	<b>157</b>	<b>200</b>	<b>276</b>	<b>304</b>	<b>524</b>	<b>528</b>
Net currency result	5	-21	-10	15	7	6	1	0	34	-57
Other result	-155	-171	-89	-52	-101	-167	-345	-390	-274	-212
<b>Operating result (EBIT)</b>	<b>190</b>	<b>305</b>	<b>150</b>	<b>144</b>	<b>249</b>	<b>424</b>	<b>589</b>	<b>873</b>	<b>1,362</b>	<b>1,670</b>
Financing costs	-6	-5	-3	-3	-10	-36	-19	-44	-74	-63
Taxes on income	-34	-77	-53	-54	-57	-126	-144	-256	-298	-446
Minority interest on profit & loss	0	0	-5	-5	-41	-39	-46	-44	-506	-577
<b>Net income</b>	<b>151</b>	<b>223</b>	<b>88</b>	<b>82</b>	<b>141</b>	<b>224</b>	<b>380</b>	<b>529</b>	<b>484</b>	<b>585</b>
Combined ratio Property / Casualty (net / gross)	93.1%	91.1%	96.1%	99.7%	95.4%	92.4%	94.3%	92.4%	91.7% <sup>1</sup>	87.8% <sup>1</sup>
<b>Return on equity (RoE)</b>	<b>12.8%</b>	<b>15.7%</b>	<b>11.8%</b>	<b>10.4%</b>	<b>12.0%</b>	<b>14.7%</b>	<b>12.3%</b>	<b>14.2%</b>	<b>21.5%</b>	<b>22.8%</b>
RoE adjusted for net income impact from fair value through p&l assets	14.9%	15.5%	12.4%	10.4%	10.8%	13.9%	12.7%	13.8%	20.1%	22.0%
Return on investments for own risk	1.8%	2.7%	2.3%	2.7%	3.9%	4.9%	2.5%	3.1%	3.1%	3.3%

<sup>1</sup> Combined ratio (net/net)

# Large loss detail

## 5 Large losses still below pro-rata budget

<b>Net losses</b> in EURm, 6M 2024 (6M 2023)	<b>Industrial Lines</b>	<b>Retail Germany</b>	<b>Retail International</b>	<b>∑ Primary Insurance</b>	<b>Reinsurance</b>	<b>Corporate Operations</b>	<b>Talanx Group</b>
<b>TOP 10 NatCat</b>							
Flood, Germany (May/June)	29.1	21.6		50.7	120.0	3.0	173.7
Flood, Brazil (Apr/May)	33.8		9.7	43.5	47.3	10.1	101.0
Flood, Dubai (Apr)					81.6		81.6
Earthquake, Taiwan (Apr)	5.7			5.7	33.3		39.0
Flood and tornadoes, USA (Apr/May)					32.5		32.5
Storm and tornadoes, USA (May)					29.4		29.4
Earthquake, Japan (Jan)					25.8		25.8
Heavy rain, southwest Germany (May)		3.2		3.2	21.4		24.6
Flood, southeast China (Jun)					20.0		20.0
Forest fires, Chile (Feb)			3.0	3.0	7.9	3.3	14.2
Hailstorm, Mexico (May)				5.5			5.5
<b>Sum NatCat (total)</b>	<b>74.1 (56.6)</b>	<b>24.8 (17.0)</b>	<b>12.6 (11.1)</b>	<b>111.5 (84.7)</b>	<b>419.3 (462.5)</b>	<b>16.5 (27.5)</b>	<b>547.3 (574.7)</b>
<b>Sum man-made</b>	<b>54.3 (77.3)</b>	<b>0 (0)</b>	<b>0 (13.1)</b>	<b>54.3 (90.3)</b>	<b>147.2 (144.5)</b>	<b>0.8 (10.4)</b>	<b>202.3 (245.2)</b>
<b>Total large losses<sup>1</sup></b>	<b>128.3 (133.9)</b>	<b>24.8 (17.0)</b>	<b>12.6 (24.2)</b>	<b>165.8 (175.1)</b>	<b>566.5 (606.9)</b>	<b>17.3 (37.9)</b>	<b>749.6 (819.9)</b>
Pro-rata large loss budget	213.9 (164.7)	22.5 (22.5)	13.6 (7.5)	250 (194.7)	801.3 (751.2)	35.0 (25.0)	1,086.3 (970.8)

Note: Definition "large loss": in excess of EUR 10m gross in either Primary Insurance or Reinsurance.

<sup>1</sup> Losses caused by the hurricane Beryl and the CrowdStrike incident cannot yet be estimated and are therefore part of the booked but not yet utilised major loss budget. Both are events in Q3 2024.



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