2024

Group Annual Report

talanx.
Insurance. Investments.

Financial year at a glance

PROFILE

The Talanx Group is a multi-brand provider in the insurance and financial services sector. The Group companies operate under a number of different brands. These include HDI, delivering insurance solutions to retail customers and industrial clients, Hannover Re, one of the world's leading reinsurers, the bancassurance specialists neue leben insurers, LifeStyle Protection and TARGO insurers as well as Ampega, a funds provider and asset manager. The Hannover-based Group is active in more than 175 countries.

INSURANCE REVENUE

EUR billion

48.1

OPERATING PROFIT (EBIT)

EUR billion

4.9

GROUP NET INCOME

EUR million

1,977

PROPOSED DIVIDEND PER SHARE

EUR

2.70

NET RETURN ON INVESTMENT

%

2.8

RETURN ON EQUITY

%

17.9

GROUP KEY FIGURES

	Unit	2024	2023 [1]	2022 [1]
Insurance revenue	EUR million	**48,150**	**43,237**	**39,645**
Primary Insurance	EUR million	22,905	19,722	16,967
Property/casualty primary insurance	EUR million	20,316	17,346	14,794
Life primary insurance	EUR million	2,590	2,376	2,173
Reinsurance	EUR million	26,379	24,456	24,017
Property/casualty reinsurance	EUR million	18,665	16,824	16,265
Life/health reinsurance	EUR million	7,715	7,633	7,752
Insurance revenue by region				
Germany	%	15	16	15
United Kingdom	%	11	10	11
Central and Eastern Europe (CEE), including Türkiye	%	9	9	8
Rest of Europe	%	13	13	12
USA	%	24	24	26
Rest of North America	%	4	4	4
Latin America	%	13	10	8
Asia and Australia	%	11	13	14
Africa	%	1	1	2
Insurance service result (net)	EUR million	**5,114**	**3,234**	**2,454**
Net investment income for own risk	EUR million	**3,880**	**3,235**	**2,342**
Net return on investments for own risk [2]	%	**2.8**	**2.5**	**1.7**
Operating profit/loss (EBIT)	EUR million	**4,913**	**3,068**	**2,815**
Net income attributable to shareholders of Talanx AG	EUR million	**1,977**	**1,581**	**706**
Primary Insurance	EUR million	1,113	790	437
Reinsurance	EUR million	1,170	917	392
Return on equity [3]	%	**17.9**	**16.6**	**8.2**
Earnings per share				
Basic earnings per share	EUR	7.65	6.21	2.79
Diluted earnings per share	EUR	7.65	6.21	2.79
Combined ratio (net/gross) [4]	%	**90.3**	**94.3**	**95.2**
Property/casualty primary insurance (net/gross) [4]	%	91.6	93.4	95.2
Property/casualty reinsurance (net/net) [5]	%	86.6	94.0	94.5
Total assets	EUR million	**180,419**	**168,525**	**158,479**
Equity attributable to shareholders of Talanx AG	EUR million	**11,661**	**10,447**	**8,640**
Contractual service margin	EUR million	**11,368**	**10,720**	**9,592**
Subordinated liabilities (hybrid capital)	EUR million	**4,487**	**5,262**	**5,009**
Investments for own risk	EUR million	**144,302**	**135,390**	**127,345**
Carrying amount per share	EUR	**45.16**	**40.46**	**34.10**
excluding goodwill	EUR	39.00	34.22	30.08
Share price	EUR	**82.15**	**64.65**	**44.32**
Number of shares outstanding	number	**258,228,991**	**258,228,991**	**253,350,943**
Employees	as at the reporting date	29,976	27,863	23,669

[1] Adjusted in accordance with IAS 8 as well as IFRS 8 in conjunction with IAS 8, see also the "Accounting policies" section of the Notes and adjusted, see "Accounting policies", section "Summary of significant accounting policies" of the Notes.
[2] Ratio of net investment income for own risk to average investment portfolio for own risk.
[3] 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 divided by (insurance revenue – expenses from reinsurance contracts held)].

»Despite geopolitical uncertainties, increasing volatility and weak economic growth, we exceeded our ambitious targets, generated a new record level of earnings and further increased our resilience in a challenging market environment. Together with our 30,000 or so highly qualified and committed staff, we again showed that our performance-driven culture and focused strategy are paying off. Our sustainable growth path makes us very confident of reaching our ambitious goals for the period up to 2027.«

Torsten Leue
(Chairman of the Board
of Management)

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The XHTML file of this annual report to be submitted to the Federal Gazette has been optimised for screen display.

Guideline on Alternative Performance Measures – for further information on the calculation and definition of specific alternative performance measures please refer to https://www.talanx.com/en/investor_relations/reporting/key_figures/alternative_performance_measures_(apm)

Letter to our shareholders

Dear Shareholders,

Your Talanx Group steadily continued on its extremely positive path in 2024. Our focused strategy paid off in a challenging global environment with geopolitical uncertainties, increasing volatility and weak economic growth, and we not only met but in fact clearly exceeded our ambitious targets.

Our premium income rose by a double-digit 11 percent to EUR 48.1 billion, with 8 percentage points of this being attributable to organic growth. As a result, we again increased the market share for our property/casualty business, in line with our strategy. Particularly encouraging was the fact that Group net income grew more than twice as fast as premiums, rising by 25 percent to a record high of EUR 1,977 million and further enhancing our resilience to absorb potential future risks. This development reflects our strong operating business, focused strategic add-on acquisitions in South America in particular, and a low-risk investment strategy that is focused on bonds with a high credit quality. Our return on equity was approximately 18 percent.

We want you, our shareholders, to benefit from this success as well, which is why the Board of Management and Supervisory Board will be proposing a significant dividend increase of 35 cents to EUR 2.70 to the General Meeting. This means we have lifted the dividend by more than 60 percent in the past three financial years. Our Talanx shares generated a high total shareholder return in a volatile capital market environment, with a dividend yield of 3.7 percent. The share price increased by almost 30 percent, outperforming our peer indices, the MDAX (–8%) and the STOXX Europe 600 Insurance (+18%).

Our 30,000 or so highly motivated and committed staff are behind these successes. Their dedication and enthusiasm day in, day out help us exceed our ambitious targets and live our Purpose – "Together we take care of the unexpected and foster entrepreneurship" – in a results-driven, trust-based culture. Our annual employee engagement survey, which has a participation rate of nearly 90 percent, shows how deeply our values – transparency, commitment and collaboration – are embedded in our Company. I would like to take this opportunity, on behalf of the entire Board of Management, to warmly thank all our staff for this. I look forward to continuing our extremely successful work together.

Gratifyingly, all divisions contributed to our record net income by improving their results. Premium income at our Primary Insurance operations, which largely focus on the property/casualty business, rose by 16 percent to EUR 22.9 billion, and Group net income to EUR 1,113 million. As a result, the Primary Insurance Group increased its share of Group earnings to almost 50 percent, demonstrating the Talanx Group's high degree of diversification. We defended our cost leadership in almost all of our Group's divisions – i.e. in the industrial insurance, reinsurance and retail international businesses – and are taking a number of other measures in your interests to extend this cost leadership further.

- Our **Corporate & Specialty** Division turned in a strong performance, proving its value as a cornerstone for the Group, and is now the largest business area in our primary insurance segments. The division recorded a double-digit (10 percent) rise in insurance revenue to top the EUR 10 billion mark for the first time. Group net income jumped 43 percent to EUR 501 million due to growth, fewer large losses and higher investment income.
- The **Retail International** business proved to be a profitable growth engine for our Group. Premium income rose by a double-digit 31 percent to more than EUR 9.3 billion, with 7 percentage points of this being attributable to organic growth. Group net income climbed 62 percent to EUR 449 million. This was helped

»Not only did we meet our ambitious targets, we clearly exceeded them.«

Torsten Leue, Chairman of the Board of Management

by the successful and swift integration of the companies acquired from Liberty Mutual in Brazil, Chile and Colombia, which accounted for more than EUR 80 million, and the successful continuation of a large number of banking partnerships in Türkiye, Poland, Chile and Brazil.

- The **Retail Germany** Division increased its premium income by nearly 2 percent to EUR 3.6 billion and generated stable Group net income of EUR 163 million (EUR 161 million). In addition, the division made initial progress towards cutting costs to market levels and returning to focused profitable growth again in selected market segments.
- Our **Reinsurance** Division continued successfully expanding its market position in a challenging environment on the back of its efficient, customer-oriented business model. Insurance revenue rose by 8 percent to EUR 26.4 billion and Group net income jumped 28 percent to EUR 1,170 million, three times the figure for premium growth. The division will continue its highly successful performance of recent years under the new Chairman of its Board of Management; the appointment of Clemens Jungsthöfel to succeed Jean-Jacques Henchoz was announced in November. I would like to wish Jean-Jacques Henchoz all the best for the next stage in his life and am delighted that we have found an excellent successor in Clemens Jungsthöfel.

Innovations and sustainable transformation are critical success factors in our strategy. We are enhancing efficiency and customer satisfaction through the targeted use of scalable artificial intelligence and data-driven technologies. Our Munich-based Best Practice Lab actively promotes global knowledge sharing so as to transfer these innovative ideas throughout the Group.

Sustainability is an integral part of what we do: in 2024, we increased our sustainable assets by EUR 2.7 billion to roughly EUR 14 billion and improved our MSCI ESG rating to AA.

We remain highly optimistic for the coming financial years, based on the trust-based, results-driven culture that we live, our strong financial foundations and our focused strategic course. We are expecting Group net income of more than EUR 2.1 billion for 2025 in a market environment that will remain challenging. In December, we published new, ambitious medium-term goals for your Talanx Group for the period up to financial year 2027. The goal is to grow Group net income by more than 30 percent to more than EUR 2.5 billion. You, our shareholders, should benefit from this, with the dividend expected to rise to EUR 4.00 by 2027 – an increase of 50 percent.

Our focus remains clear: profitable growth, unwavering customer orientation, strict capital management and clear cost leadership.

Dear shareholders, we set great store by the trust you place in the Talanx Group, which is a constant motivation for us. I am delighted to know you will continue to be by our side on our successful journey.

Yours sincerely,

Board of Management

Torsten Leue
Chairman
Hannover
Chairman of the Board of Management
HDI V.a.G., Hannover

Responsible on the Talanx Board of Management for:
- Audit
- Best Practice Lab
- Communications
- Corporate Development
- Governance/Corporate Office
- Investor Relations
- Sustainability/ESG

Further memberships of other supervisory boards/comparable supervisory bodies:
Chairman of the Supervisory Board
- E+S Rückversicherung AG
- Hannover Rück SE
- HDI AG
- HDI Deutschland AG
- HDI Global SE
- HDI International AG

Member of the Advisory Board
- Commerzbank AG [1]

Jean-Jacques Henchoz
Hannover
Chairman of the Board of Management
Hannover Rück SE, Hannover

Responsible on the Talanx Board of Management for:
- Reinsurance Division

Further memberships of other supervisory boards/comparable supervisory bodies:
Chairman of the Board of Directors
- Hannover Re (Bermuda) Ltd.

Member of the Board of Directors
- Hannover Life Reassurance Company of America (Bermuda) Ltd.
- Hannover Life Re of Australasia Ltd.

Dr Wilm Langenbach
Hannover
Chairman of the Board of Management
HDI International AG, Hannover

Responsible on the Talanx Board of Management for:
- Retail International Division

Further memberships of other supervisory boards/comparable supervisory bodies:
Chairman of the Supervisory Board
- HDI Seguros S.A. de C.V., Mexico
- HDI Seguros S.A., Brazil
- HDI Seguros do Brasil S.A.
- Yelum Seguros S.A. & Indiana Seguros S.A., Brazil
- Towarzystwo Ubezpieczeń Europa Spolka Akcyjna
- Towarzystwo Ubezpieczeń na Życie Europa Spolka Akcyjna
- Towarzystwo Ubezpieczeń na Życie WARTA Spolka Akcyjna
- Towarzystwo Ubezpieczeń i Reasekuracji WARTA Spolka Akcyjn

Chairman of the Administrative Board
- HDI Assicurazioni S.p.A.
- HDI Sigorta A.S.

Dr Edgar Puls
Hannover
Member of the Board of Management
HDI V.a.G., Hannover
Chairman of the Board of Management
HDI Global SE, Hannover

Responsible on the Talanx Board of Management for:
- Corporate & Specialty Division
- Reinsurance Captive Talanx AG

Seats on other supervisory boards/oversight committees:
Member of the Supervisory Board
- HDI AG
- Talanx Reinsurance Broker GmbH

Caroline Schlienkamp
Gehrden
Director of Labour Relations
(pursuant to section 33 of the German Co-determination Act [MitbestG])
Speaker of the Board of Management
HDI AG, Hannover

Responsible on the Talanx Board of Management for:
- Business Organisation
- Corporate Services
- Legal – Law, Compliance, Data Protection
- People & Culture
- Procurement & Supplier Management

Further memberships of other supervisory boards/comparable supervisory bodies:
- None

Jens Warkentin
Cologne
Chairman of the Board of Management
HDI Deutschland AG, Hannover

Responsible on the Talanx Board of Management for:
- Retail Germany Division
- Brand Management
- Information Technology

Further memberships of other supervisory boards/comparable supervisory bodies:
Chairman of the Supervisory Board
- LPV Lebensversicherung AG
- LPV Versicherung AG
- neue leben Holding AG
- TARGO Lebensversicherung AG
- TARGO Versicherung AG

Member of the Supervisory Board
- Gerling Versorgungskasse VVaG
- HDI AG

Dr Jan Wicke
Hannover
Member of the Board of Management
HDI V.a.G., Hannover

Responsible on the Talanx Board of Management for:
- Accounting
- Collections/Disbursement
- Controlling
- Finance/Treasury
- Investments/Real Estate
- IT Security
- Reinsurance Procurement
- Risk Management
- Taxes

Further memberships of other supervisory boards/comparable supervisory bodies:
Chairman of the Supervisory Board
- Ampega Asset Management GmbH
- Ampega Investment GmbH
- Talanx Reinsurance Broker GmbH

Deputy Chairman of the Supervisory Board
- HDI AG
- HDI International AG

Member of the Supervisory Board
- E+S Rückversicherung AG

Member of the Exchange Council
- Frankfurt Stock Exchange [1]

[1] Memberships of statutory supervisory boards and comparable control boards at other domestic and foreign business enterprises that do not belong to the Group.

Supervisory Board

Herbert K. Haas
(since 8 May 2018)
Chairman
Burgwedel
Former Chairman of the Board of Management
Talanx AG

Further memberships of other supervisory boards/comparable supervisory bodies:
Chairman of the Supervisory Board
- HDI V. a. G.

Deputy Chairman of the Supervisory Board
- Hannover Rück SE

Jutta Hammer[1]
(since 1 February 2011)
Deputy Chairwoman (since 7 May 2024)
Bergisch Gladbach
Employee
HDI AG

Further memberships of other supervisory boards/comparable supervisory bodies:
Deputy Chairwoman of the Supervisory Board
- HDI AG

Ralf Rieger[1]
(until 7 May 2024)
Deputy Chairman
Raesfeld
Employee
HDI AG

Angela Titzrath
(since 8 May 2018)
Deputy Chairwoman (since 4 May 2023)
Hamburg
Chairwoman of the Board of Management, Hamburger Hafen und Logistik AG

Further memberships of other supervisory boards/comparable supervisory bodies:
Deputy Chairwoman of the Supervisory Board
- HDI V. a. G.

Member of the Supervisory Board
- Evonik AG[2]
- Lufthansa AG[2]

Natalie Bani Ardalan[1]
(since 7 May 2024)
Springe
Employee
Hannover Rück SE

Further memberships of other supervisory boards/comparable supervisory bodies:
Member of the Supervisory Board
- Hannover Rück SE (until 06 May 2024)

Benita Bierstedt[1]
(until 7 May 2024)
Hannover
Employee
E+S Rückversicherung AG

Further memberships of other supervisory boards/comparable supervisory bodies:
Member of the Supervisory Board
- E+S Rückversicherung AG (until 30 June 2024)

Rainer-Karl Bock-Wehr[1]
(since 9 May 2019)
Cologne
Head of Competence Centre Commercial, HDI AG

Dr Joachim Brenk
(since 4 May 2023)
Lübeck
Chairman of the Board of Management
L. Possehl & Co. mbH

Further memberships of other supervisory boards/comparable supervisory bodies:
Chairman of the Supervisory Board
- Hako GmbH[2] (until 31 December 2024)
- Harburg-Freudenberger Maschinenbau GmbH[2]

Member of the Supervisory Board
- HDI Global SE
- HDI V. a. G.

Sebastian Gascard[1]
(since 9 May 2019)
Isernhagen
In-house Company Lawyer (Liability Underwriter)
HDI AG

Dr Christof Günther
(since 4 May 2023)
Merseburg
Managing Director
InfraLeuna GmbH

Further memberships of other supervisory boards/comparable supervisory bodies:
Member of the Supervisory Board
- HDI V. a. G.
- Wohnungsgenossenschaft Aufbau e. G.[2]
- Institut für Unternehmensforschung und Unternehmensführung an der Martin-Luther-Universität Halle-Wittenberg e. V.[2]

Dr Hermann Jung
(since 6 May 2013)
Heidenheim
Former Member of the Board of Directors
Voith GmbH

Further memberships of other supervisory boards/comparable supervisory bodies:
Member of the Supervisory Board
- HDI V. a. G.

Member of the Board of Directors
- Dachser Group SE & Co. KG [2]

Dirk Lohmann
(since 6 May 2013)
Forch, Switzerland
Vice Chairman of the ILS Division of Schroders Capital,
Schroder Investment Management (Switzerland) AG

Further memberships of other supervisory boards/comparable supervisory bodies:
Member of the Administrative Board
- Schroder Investment Management (Switzerland) AG [2]

Member of the Board of Directors
- Zweigelt Holdings Ltd., Guernsey [2]

Christoph Meister [1]
(since 8 May 2014)
Hannover
Member of the ver.di National Executive Board

Further memberships of other supervisory boards/comparable supervisory bodies:
Chairman of the Supervisory Board
- ver.di Bildung + Beratung gGmbH [2]
- Vermögensverwaltung der Vereinten Dienstleistungsgewerkschaft (ver.di) GmbH [2]
- ver.di GewerkschaftsPolitische Bildung gGmbH [2]

Member of the Supervisory Board
- ver.di Service GmbH [2]

Member of the Advisory Board
- BGAG Beteiligungsgesellschaft der Gewerkschaften GmbH [2]

Jutta Mück [1]
(until 7 May 2024)
Diemelstadt
Market Management & Distribution
HDI AG

Dr Sandra Reich
(since 4 May 2023)
Gräfelfing
Self-employed Business Consultant
Sustainable Finance

Further memberships of other supervisory boards/comparable supervisory bodies:
Member of the Supervisory Board
- Aurubis AG [2]
- GLS Bank [2]

Matthias Rickel [1]
(since 7 May 2024)
Hannover
Employee
HDI AG

Prof Dr Jens Schubert [1]
(since 8 May 2014)
Potsdam
Trade Union secretary
ver.di National Administration
(until 31 January 2025)
University professor, Brandenburg University of Technology Cottbus-Senftenberg (since 1 February 2025)

Further memberships of other supervisory boards/comparable supervisory bodies:
Member of the Supervisory Board
- HDI AG

Member of the Creditors' Committee
- Schlecker e. K. [2]
- Schlecker XL GmbH [2]

Patrick Seidel [1]
(since 7 May 2024)
Hannover
Employee
Hannover Rück SE

Further memberships of other supervisory boards/comparable supervisory bodies:
Member of the Supervisory Board
- E+S Rückversicherung AG

Norbert Steiner
(since 6 May 2013)
Baunatal
Former Chairman of the Board of Management
K+S AG

Further memberships of other supervisory boards/comparable supervisory bodies:
Member of the Supervisory Board
- HDI V. a. G.

[1] Employee representative.
[2] Memberships of statutory supervisory boards and comparable control boards at other domestic and foreign business enterprises that do not belong to the Group.

Supervisory Board committees

Composition as at 31 December 2024

The Supervisory Board has formed four committees from among its ranks. The members of these committees support the work of the full Supervisory Board.

Finance and Audit Committee
Dr Hermann Jung, Chairman
Natalie Bani Ardalan
Dr Christof Günther
Herbert K. Haas
Jutta Hammer
Angela Titzrath

Personnel Committee
Herbert K. Haas, Chairman
Sebastian Gascard
Norbert Steiner
Angela Titzrath

Standing Committee
Herbert K. Haas, Chairman
Jutta Hammer
Prof. Dr Jens Schubert
Angela Titzrath

Nomination Committee
Herbert K. Haas, Chairman
Dr Joachim Brenk
Dirk Lohmann

Tasks of the committees

You can find a detailed description of the committees' tasks in the "Supervisory Board" section of the corporate governance report.

Finance and Audit Committee
- Preparation of financial decisions for the full Supervisory Board
- Decisions in lieu of the full Supervisory Board on certain financial matters, including the establishment of companies, acquisition of participating interests and capital increases at subsidiaries within defined value limits

Personnel Committee
- Preparation of personnel matters for the full Supervisory Board
- Decisions in lieu of the full Supervisory Board on certain personnel matters for which the full Supervisory Board is not required to assume sole responsibility

Standing Committee
- Proposal for the appointment of a Board member if the necessary two-thirds majority is not achieved in the first ballot in accordance with section 31(3) of the German Co-determination Act (MitbestG)

Nomination Committee
- Proposal of suitable candidates for the Supervisory Board's nominations to the Annual General Meeting

Report of the Supervisory Board

Dear Readers,

In the 2024 financial year, the Supervisory Board once again performed the tasks and duties required of it by law, the Articles of Association and its Rules of Procedure. We thoroughly reviewed the economic and risk situation at the level of Talanx AG and its major subsidiaries in Germany and in the most important foreign markets. We advised the Board of Management on all issues that were material to the Company, continuously monitored its management of the business and were directly involved in decisions of fundamental importance. Business performance, taking into account the impact of large losses due to natural catastrophes and man-made losses, was once again a key focus of the reporting to the Supervisory Board this year.

Overview

In the reporting period, we convened for four ordinary meetings and one inaugural meeting following the election of the new employee representatives on the Supervisory Board. The ordinary meetings and the inaugural meeting were all held in person. Two representatives of the Federal Financial Supervisory Authority (BaFin) took part in the ordinary meeting on 12 November 2024 in line with routine practice. The Supervisory Board's Finance and Audit Committee held five ordinary meetings, four of which were held in person and one was held as a video conference. The Personnel Committee held two meetings, both of which were in person. The Nomination Committee and the Standing Committee formed in accordance with the provisions of the German Co-determination Act (MitbestG) did not meet in 2024. The full Supervisory Board was briefed in each case on the work of the committees at its meetings. An overview of the individual attendance of Supervisory Board members at the meetings can be found in this report.

The Supervisory Board was briefed by the Board of Management in written and verbal reports on the course of business and the position of both the Company and the Group, based on the quarterly statements and the interim report for the first half of the financial year. At no point during the reporting period did we consider it necessary to perform audits or examinations pursuant to section 111(2) sentence 1 of the German Stock Corporation Act (AktG). The chairmen of the Supervisory Board and of the Board of Management were in regular contact regarding material developments and transactions within the Company and the Talanx Group, and discussed questions relating to strategy, planning, performance, the risk situation, opportunity and risk management, and compliance. Overall, we satisfied ourselves of the lawfulness, appropriateness, regularity and efficiency of the work of the Board of Management, within the scope of our responsibilities under the law and the Articles of Association.

The Board of Management provided us with regular, timely and comprehensive information on the Company's business situation and financial position, on risk management, on major capital expenditure projects and on fundamental corporate policy issues. It reported in detail on the impact of natural catastrophes and other large losses, the status of major lawsuits, and other key developments at the Company and the Group and in the regulatory environment. At our meetings, we intensively discussed the reports provided by the Board of Management, made suggestions and proposed improvements. The Supervisory Board also met regularly without the Board of Management being present, including to discuss Board of Management personnel matters and internal Supervisory Board matters.

Following examination and discussion with the Board of Management, we passed resolutions on transactions and measures requiring our approval in accordance with the law, the Articles of Association and the Rules of Procedure.

Main topics discussed in meetings of the full board

The business performance of the Company and that of its divisions in the current financial year, the strategic orientation in individual divisions, possible acquisition projects abroad and the planning for 2025 were the primary focal points of the reporting to the Board and our discussions, and were addressed in detail during our meetings. The Supervisory Board also devoted considerable time to discussing and approving the Group's strategic targets.

At its meeting on 19 March 2024, the Supervisory Board also discussed the audited annual and consolidated financial statements along with the Board of Management's proposal for the appropriation of the distributable profit in financial year 2023. The auditor stated that an unqualified audit opinion had been issued for both the single-entity and the consolidated financial statements. At this meeting, the Supervisory Board also discussed in detail the report of the Board of Management on the non-financial Group statement for 2023. The engaged auditing firm conducted a limited assurance audit and issued an unqualified audit opinion. Furthermore, the Supervisory Board approved the agenda and the proposed resolutions for the Annual General Meeting, which was again held in a virtual format. At this meeting, the Board discussed in detail the acquisition of the Liberty Mutual companies in Latin America. The Supervisory Board also discussed various projects and reportable events and approved the extension of an external credit line. It also received a detailed report on the Group's sustainability strategy. In addition, the Supervisory Board regularly discussed the remuneration of the members of the Board of Management and set the variable remuneration due to the members of the Board of Management for financial year 2023. Furthermore, it approved adjustments to the allocation of responsibilities to the members of the Board of Management.

Following the re-election of the employee representatives to the Supervisory Board, in accordance with the German Co-determination Act (MitbestG), Ms Hammer was elected as the first deputy chair of the Supervisory Board at an inaugural meeting on 7 May 2024, immediately following the Annual General Meeting. This was after Mr Rieger, who had previously held this position, did not stand for re-election to the Supervisory Board. At this meeting, the Supervisory Board also held by-elections to fill the positions on the Finance and Audit Committee and the Personnel Committee. In the second part of the meeting, the members of the Supervisory Board received training as regards the Group's internal risk model from internal speakers from Talanx Group Risk Management.

At the ordinary Supervisory Board meeting on 14 May 2024, the Board of Management reported on the results of the first quarter of 2024 and provided an outlook for the remainder of the financial year. The Supervisory Board discussed the dissolution of an existing joint venture between Hannover Re and E+S Rück and Munich Re and adopted a resolution in this regard. We also received a report on the current status of the strategic orientation of the Retail Germany Division. Furthermore, we were provided with an update on the Talanx Group's IT strategy, which we discussed with the Board of Management. We also discussed and approved an internal recapitalisation measure for our Group company LPV Lebensversicherung AG.

The meeting of the Supervisory Board on 2 and 3 September 2024 was held in Rome at our local Group units, and we received detailed reports on both units' current and expected business performance. We also had the local companies' People & Culture, Agency Management, Claims and Fraud Management areas presented to us in detail in various workshops. At the Supervisory Board meeting, the Board of Management also reported on the half-yearly results and the expectations for the 2024 annual financial statements of Talanx AG and the Group. Furthermore, the Supervisory Board received the annual report on expense ratios compared with competitors and the report on related party transactions and discussed risk reporting at length. The results of the annual self-assessments conducted by the members of the Supervisory Board in accordance with the requirements of the insurance supervisory authority with regard to their knowledge in the areas of material importance to the Group were discussed as scheduled; according to the results, the Supervisory Board as a whole continues to possess the knowledge, skills and experience required to monitor the Board of Management.

At the Supervisory Board meeting on 12 November 2024, the Board of Management reported on the third-quarter results and gave an outlook for the 2024 annual financial statements for Talanx AG and the Group. The Supervisory Board discussed the planning for the 2025 financial year at length and reviewed a status update on the integration of the Liberty Mutual companies in Latin America. In addition, the Supervisory Board again discussed the current status of the strategy of the Retail Germany Division. The Supervisory Board was also briefed on a range of projects and reportable events and received the regularly scheduled risk management report ("ORSA report") and report on pending litigation. Furthermore, it discussed the topic of artificial intelligence and thoroughly debated its significance for and impact on the Group. It also discussed the strategic partnership between Talanx AG and Meiji Yasuda Life Insurance Company and decided to terminate said partnership effective as at the end of 2025. The Supervisory Board also approved the declaration of compliance with the German Corporate Governance Code and discussed the results of the Engagement Survey introduced in 2024, which has replaced the annual Organizational Health Check employee survey. Finally, the meeting dealt with a detailed update on the Group's CSRD programme (Corporate Sustainability Reporting Directive) and a training session on the CSRD was held by internal and external speakers.

Work of the committees

The Supervisory Board has established a number of committees to enable it to perform its duties efficiently. These are the Finance and Audit Committee, which has six members, the Personnel Committee and the Standing Committee, each of which has four members, and the Nomination Committee, which has three members. The committees prepare the discussions in, and the resolutions to be adopted by, the full Supervisory Board. They have also been delegated with the authority to pass resolutions themselves in specific areas. The minutes of Finance and Audit Committee meetings are also made available to those members of the Supervisory Board who are not members of this committee. The members of the different committees are listed on page 8 of the annual report.

Along with preparing the discussions and resolutions by the full Supervisory Board, the Finance and Audit Committee examined in depth the Company's and the Group's annual financial statements, the report for the first six months of the year and quarterly statements, together with the individual components of the financial statements and the key performance indicators, as well as the results of the auditors' review of the interim report. Additionally, the Finance and Audit Committee discussed the findings of the annual internal and external actuarial audit of the gross and net claims reserves for the Group's non-life insurance business. The Committee devoted considerable time to the planning for the coming financial year and discussed strategic decisions in individual divisions of the Group. Furthermore, we examined the risk reports and received an audit planning report from the auditors. The Committee listened to reports on non-audit services provided by the auditors in accordance with the whitelist and also looked in detail at the current implementation status of the introduction of the new IFRS 17/9 accounting standard. The Committee also received the annual reports from the four key functions (Risk Controlling, Actuarial, Auditing and Compliance), which were presented to us by the heads of these functions and explained in more detail where committee members had any questions. The Finance and Audit Committee regularly examined matters related to accounting, auditing and the internal control system. It discussed the assessment of audit risk, the audit strategy, audit planning and audit findings with the auditor. The Chairman of the Audit Committee regularly discussed the progress of the audit with the auditor and reported on this to the Committee. The Finance and Audit Committee also met to discuss individual agenda items without the members of the Board of Management in attendance.

As well as preparing the discussions and resolutions by the full Supervisory Board, the Personnel Committee also again closely addressed succession planning for the Company's Board of Management in 2024. It also addressed the issue of how suitable the amount of remuneration paid to members of the Board of Management is on the basis of horizontal and vertical remuneration comparisons. Recommendations were also made to the full Supervisory Board in connection with the regular forthcoming review of Board of Management remuneration, determining variable Board of Management remuneration components and setting targets for Board of Management members for financial year 2025.

The following table provides an overview of individual meeting attendance by members of the Supervisory Board and the committees in 2024.

INDIVIDUALISED DISCLOSURE OF MEETING ATTENDANCE

	Attendance rate	
	Number of meetings	%
Full Supervisory Board attendance		
Herbert K. Haas	5/5	100
Ralf Rieger (until 7 May 2024)	1/1	100
Jutta Hammer	5/5	100
Angela Titzrath	5/5	100
Natalie Bani Ardalan (since 7 May 2024)	4/4	100
Benita Bierstedt (until 7 May 2024)	1/1	100
Rainer-Karl Bock-Wehr	5/5	100
Dr Joachim Brenk	5/5	100
Sebastian L. Gascard	5/5	100
Dr Christof Günther	5/5	100
Dr Hermann Jung	5/5	100
Dirk Lohmann	5/5	100
Christoph Meister	5/5	100
Jutta Mück (until 7 May 2024)	1/1	100
Dr Sandra Reich	5/5	100
Matthias Rickel (since 7 May 2024)	4/4	100
Prof. Dr Jens Schubert	5/5	100
Patrick Seidel (since 7 May 2024)	4/4	100
Norbert Steiner	5/5	100
Finance and Audit Committee attendance		
Dr Hermann Jung	5/5	100
Natalie Bani Ardalan (since 7 May 2024)	4/4	100
Dr Christof Günther	5/5	100
Herbert K. Haas	5/5	100
Jutta Hammer	5/5	100
Ralf Rieger (until 7 May 2024)	1/1	100
Angela Titzrath	5/5	100
Personnel Committee attendance		
Herbert K. Haas	2/2	100
Sebastian Gascard (since 7 May 2024)	1/1	100
Jutta Mück (until 7 May 2024)	1/1	100
Norbert Steiner	2/2	100
Angela Titzrath	2/2	100

Work of our sustainability experts

At the beginning of the financial year, the Supervisory Board's sustainability experts, Dr Reich, Prof. Schubert and Mr Steiner, took a close look at the drafts of the non-financial statement, which forms part of the Group's annual report, and the subsequent sustainability report. Further activities then focused on preparing the first report in accordance with the Corporate Sustainability Reporting Directive for the 2024 financial year. For this purpose, the sustainability experts held four meetings with the Talanx team responsible for its introduction. The first item of business was the implementation of the newly devised materiality analysis. This was followed by a discussion of the procedure for introducing the new reporting system and evaluating the results of the materiality analysis. Accordingly, the sustainability experts were involved in preparing the content of the CSRD training for the full Supervisory Board, among other activities, and ensured the flow of information from the expert group to the full Board.

Declaration of compliance

The declaration of compliance with the German Corporate Governance Code (GCGC) was adopted on 12 November 2024. The current declaration of compliance issued by Talanx AG does not contain any deviations from the Code's recommendations because the company is in compliance with all of the Code's recommendations. Further information on corporate governance can be found on Talanx AG's website.

Audit of the annual and consolidated financial statements

The annual financial statements for Talanx AG submitted by the Board of Management, the consolidated financial statements for the Talanx Group, which were prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union, and the corresponding management reports were audited together with the bookkeeping by PricewaterhouseCoopers (PwC) GmbH, Wirtschaftsprüfungsgesellschaft, Hannover. The auditors were appointed by the company's Annual General Meeting on 7 May 2024; the Finance and Audit Committee issued the detailed audit engagement and specified that, in addition to the usual audit tasks, the audit of the financial statements should give special attention to audit support for the implementation of IFRS 17/9. The enforcement priorities set out by the German Financial Reporting Enforcement Panel (FREP) were also included in the audit activities performed by the auditors.

The audits performed by the auditors did not give rise to any grounds for objection. The auditors issued unqualified audit reports stating that the bookkeeping and the annual and consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance, and that the management reports are consistent with the annual and consolidated financial statements.

The financial statements documents and PwC's audit reports were circulated to all members of the Supervisory Board well in advance. They were examined in detail at the Finance and Audit Committee meeting on 17 March 2025 and at the Supervisory Board meeting on 18 March 2025. The auditors took part in the discussions of the annual and consolidated financial statements by both the Finance and Audit Committee and the full Supervisory Board, reported on the performance of the audits and were available to provide us with additional information. On the basis of the final results of our own review of the annual financial statements, the consolidated financial statements, the corresponding management reports, including the sustainability statement that also fulfils the requirements for the Group non-financial statement, which also meets the requirements for the non-financial Group statement, and the audit reports prepared by the auditors, we concurred with their assessment in each case and approved the annual and consolidated financial statements prepared by the Board of Management.

The annual financial statements have therefore been adopted. We agree with the statements made in the management reports regarding the Company's future development. After examining all relevant considerations, we concur with the Board of Management's proposal for the appropriation of the distributable profit.

The report on the Company's relationships with affiliated companies that was drawn up by the Board of Management in accordance with section 312 of the AktG was also audited by PwC GmbH and was issued with the following unqualified audit opinion:

"Following the completion of our audit, which was carried out in accordance with professional standards, we confirm that

1. The information contained in the report is correct,

2. The compensation paid by the Company with respect to the transactions listed in the report was not inappropriately high."

We examined the report on relationships with affiliated companies and reached the same conclusion as the auditors. We have no objections to the statement that is reproduced in this report.

Sustainability statement

The Finance and Audit Committee and the Supervisory Board discussed the Board of Management's report on the sustainability statement in detail (see page 86 ff. of the Group management report). The Board of Management presented the report at the Finance and Audit Committee meeting on 17 March 2025 and the Supervisory Board meeting on 18 March 2025. Auditor representatives were present at both meetings and reported the material findings of their audit. The engaged auditing firm PwC GmbH conducted a limited assurance audit and issued an unqualified audit opinion. No objections were raised following the Supervisory Board's own review of the sustainability statement, and the result of the audit by PwC GmbH was noted and approved.

Composition of the Supervisory Board and the Board of Management

The term of office of the Supervisory Board's employee representatives ended at the close of the Annual General Meeting on 7 May 2024. Ms Hammer, Mr Bock-Wehr, Mr Gascard, Mr Meister and Prof. Schubert were re-elected by the employees. Ms Bani Ardalan, Mr Rickel and Mr Seidel were newly elected as employee representatives to the Supervisory Board, while the terms of office of Mr Rieger, Ms Bierstedt and Ms Mück ended at the close of the Annual General Meeting on 7 May 2024. The Supervisory Board thanked Mr Rieger, as the first deputy chairman, as well as Ms Bierstedt and Ms Mück for their outstanding work and valuable co-operation.

There were no changes to the composition of the Company's Board of Management in the reporting period. At the Supervisory Board meeting on 12 November 2024, the decision was taken not to extend Jean-Jacques Henchoz's expiring contract at his personal request; Mr. Henchoz will leave the Board of Management of Talanx AG on 31 March 2025. Clemens Jungsthöfel, currently Chief Financial Officer and designated Chief Executive Officer of Hannover Rück SE, has been appointed to succeed Mr. Henchoz as a member of the Board of Management of Talanx AG with effect from 1 April 2025, where he will be responsible for the Reinsurance Division. The Supervisory Board would like to thank Mr Henchoz for his extremely successful work on the Company's Board of Management.

Our thanks to the Board of Management and employees

We again generated extraordinarily Group net income for financial year 2024. This achievement is thanks to the dedication and tireless commitment shown by our employees. We would like to express our sincere thanks to them and to the Board of Management.

Hannover, 18 March 2025

On behalf of the Supervisory Board

Herbert Haas
(Chairman)

Talanx shares

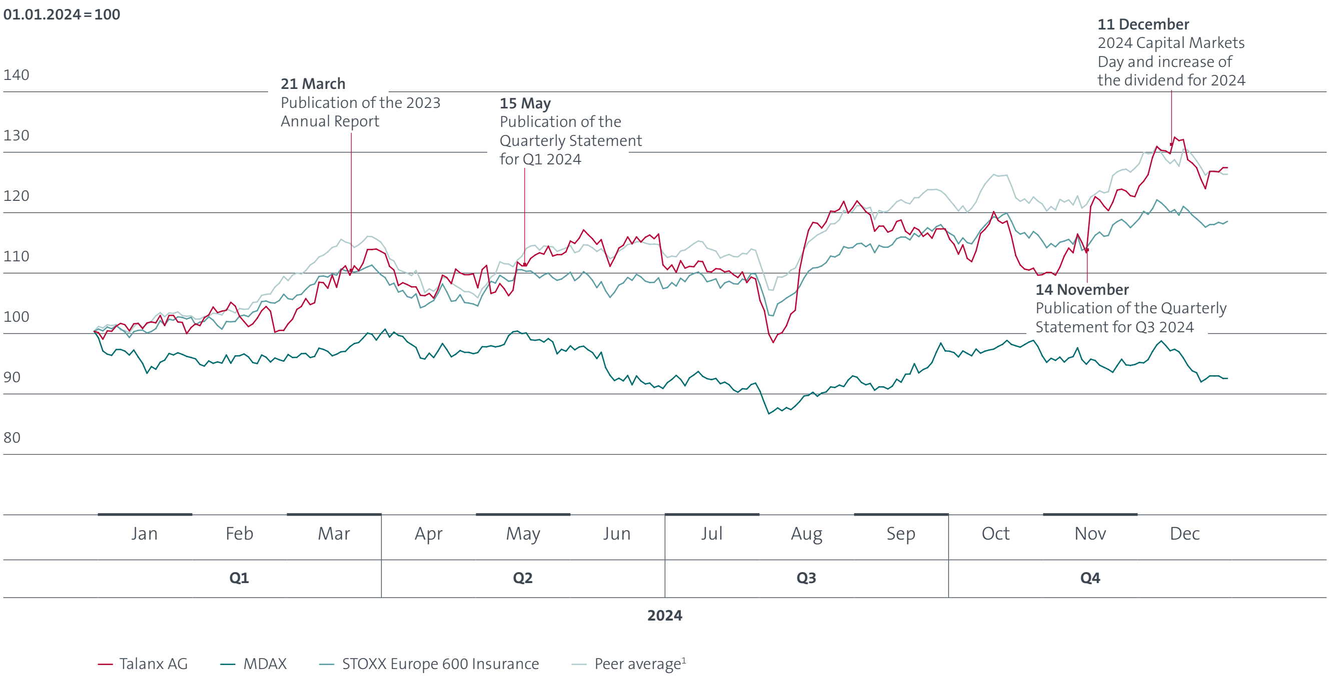
Talanx shares perform extremely well in the reporting period

- Driven by the company's excellent performance, the share price rose to a new all-time high of EUR 85.40 during the year, closing 2024 up 27% on the previous year-end price
- Talanx shares outperformed the MDAX and STOXX Europe 600 Insurance indices
- Strategy of diversification and decentralisation proves a success

The insurance industry and the market environment continue to be shaped by the increasing number of geopolitical crises and persistent inflation. In this environment, Talanx's strategy of diversification and decentralisation paid off, with Talanx demonstrating resilience and exceeding its financial targets. This, in turn, drove the share price higher over the course of the year.

The share price initially remained stable at between EUR 63.00 and EUR 67.00 at the beginning of the year and experienced a noticeable upturn in March around the publication of the 2023 annual report. The positive news regarding the company's performance in the first quarter of 2024, which was published in May, further boosted this upward trend. During the summer months, the share price experienced a brief downturn, resulting in the year's low of EUR 63.45.

PERFORMANCE OF TALANX SHARES COMPARED TO PEER INDICES



Source: EQS; the values for Talanx and the peer average correspond to price index data, while the values for the MDAX and STOXX Europe 600 Insurance are what are known as performance indices, which include a reinvested dividend.

[1] Peers: Allianz, Axa, Generali, Mapfre, Munich Re, Swiss Re, VIG, Zurich.

Upon presentation of the half-yearly figures for 2024, however, the share price again experienced noticeable upward momentum, before uncertainties surrounding a hurricane season forecast to be particularly destructive once again reversed this trend in the third quarter. Despite an increase in large loss claims compared to the same period last year and a high number of severe natural catastrophes, large losses remained within the scope of expectations and the loss budget set aside for this purpose. The capital market's positive response to the nine-month reporting and the associated increase in earnings targets for the 2024 financial year caused the share price to rise to over EUR 80.00 at the end of November. Driven by the new medium-term financial targets for the period 2025–2027 and the dividend increase, which were announced at the Capital Markets Day event on 11 December 2024, the share price climbed to a new all-time high of EUR 85.40 and ended the year at a closing price of EUR 82.15.

In relation to the market as a whole, Talanx shares significantly outperformed the relevant indices MDAX (–8%) and STOXX Europe 600 Insurance (+18%) with a total shareholder return of 31%. The total shareholder return of the shares we selected as peer group companies [1] was on average 33%, slightly higher than that of Talanx, which is mainly due to the higher average dividend payments of this group. In terms of share price performance alone, Talanx shares slightly outperformed the average price increase of the peer group by 0.6 percentage points with a gain of 27.1%.

Index membership and shareholder structure

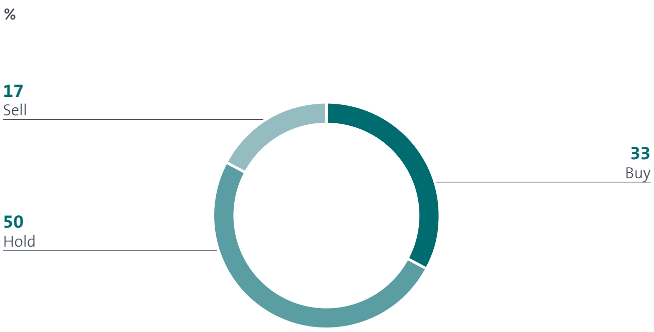
Talanx remains a top performer in the MDAX

Talanx shares have been listed on the Frankfurt Stock Exchange (Prime Standard) and on the Hannover Stock Exchange since October 2012. They have been included in the MDAX since September 2021. Based on the free-float market capitalisation as at the end of December 2024, Talanx shares ranked seventh (ranked tenth) out of the 50 total stocks and remained one of the top equities in the MDAX index.

Analyst recommendations

Bank analysts are important observers for a listed company, because they analyse and evaluate a company's shares and publish investment recommendations which many institutional and private investors base their investment decisions on.

ANALYST RECOMMENDATIONS



31 December 2024

In the 2024 financial year, six analysts monitored Talanx AG and published reports at regular intervals. As at 31 December 2024, 33% of analysts rated Talanx shares as a "Buy" and 50% of analyst recommendations were "Hold". On the other hand, 17% of analysts gave a rating of "Underperform", which is the same as a "Sell" recommendation. At the end of the financial year, the analysts' average target price was EUR 83.43, with a target price range of between EUR 76 and EUR 95.

Shareholder structure remains stable

Talanx AG regularly analyses the shares held in free float in order to communicate specifically with its institutional investors. With the help of these analyses, almost 100% of Talanx shares can be identified and assigned to a shareholder group. Holding roughly 77% of the shares, HDI V. a. G. is the largest individual shareholder of Talanx AG. Accordingly, the free float amounts to around 23%. There are no individual shareholders among Talanx AG's shareholders who hold more than 5% of the share capital.

At the end of the 2024 financial year, there were only slight regional shifts in the free float compared to the previous year. A total of 55% (57%) of shares – the majority – continue to be held by European investors. The percentage of shares held in Europe fell slightly, while North American investors added this 2% of shares to their portfolios, now accounting for 28% (26%) of the shares in free float. The percentage of shares held by Asian investors increased slightly by one percentage point to 17% (16%). A further 1% of the free float was spread across the rest of the world. Private shareholders accounted for around a quarter of the free float. As at 31 December 2024, a total of 42,376 shareholders were entered in the share register, continuing the trend of previous years, and the number of registered shareholders has increased slightly compared to the previous year (41,698).

[1] Allianz, Axa, Generali, Mapfre, Munich Re, Swiss Re, VIG, Zurich.

SHAREHOLDER STRUCTURE AS AT 31 DECEMBER 2024

Employee share programme

Employees of Talanx Group's Primary Insurance Group were again able to purchase discounted Talanx shares in the reporting period. The model, which was successfully introduced in 2021, was again used in 2024, with employees being able to choose from two different share packages of either 30 or 120 shares, each offered at a different discount. The number of employees participating in the programme remained at the same high level as in previous years, with 36% (39%) of employees purchasing subsidised shares in the reporting period. The shares subscribed by the employees were acquired on the market under a share buyback programme. The shares have to be held for at least two years.

Capital market communication

Significant increase in targeted investor activity

The Talanx investor relations team is committed to open, ongoing dialogue with private shareholders, institutional investors and equity and credit analysts. This dialogue takes place mainly at investor conferences in Germany and abroad, as well as at roadshows. At these events, capital market participants have the opportunity to meet and talk to experts from the investor relations team and management. This year, Talanx also attended a number of events where not only the Chairman of the Board of Management and the Chief Financial Officer, but also the members of the Board of Management responsible for the individual segments were available to discuss matters with investors. In the 2024 financial year, Talanx took part in 24 investor conferences and organised nine roadshows. The number of meetings more than doubled year on year, with the preferred format in this financial year being in-person investor conferences.

At the Capital Markets Day event in December 2024, where the Group presented its new medium-term financial targets for the 2025 to 2027 period, financial analysts and institutional investors also had the opportunity to meet with the entire Board of Management of Talanx AG in person.

Dialogue and communication with private shareholders is highly important to Talanx AG as well. In order to enhance visibility in these circles and to enable private investors to engage in a direct dialogue with the investor relations team, company presentations at various shareholder associations were a firm fixture of capital market communications in the reporting period. Moreover, private shareholders as well as analysts and investors can find a wealth of information on the website.

Annual General Meeting held as a virtual event

For the fifth time in a row, Talanx AG held its Annual General Meeting as a purely online event on 7 May 2024. As usual, shareholders had the opportunity to ask questions online via the shareholder portal during the AGM and directly interact with the Board of Management and Supervisory Board. In order to make the event even more user-friendly, in 2024 Talanx worked on improving both the usability of the shareholder portal and the live connection. The shareholder portal was updated with a new, modern design that was also significantly more user-friendly, intuitive and made use of the latest technology. With the support of experienced service providers, the company was able to successfully hold its 2024 Annual General Meeting without any technical issues. The proposed resolutions were all passed with the required majority of votes cast and share capital represented. A total of 2,915 shareholders had registered for the Annual General Meeting, corresponding to 92.14% of the share capital with voting rights. For future Annual General Meetings, Talanx AG will choose freely between the different meeting formats, taking into account the respective circumstances and the agenda items to be decided upon, and thereby ensure an appropriate dialogue with its shareholders.

New medium-term financial targets for 2025 – 2027

The Group's strategy, which is based on decentralisation, diversification and cost leadership, has paid off, leading to an increase in the level of ambition for the coming years due to the early overachievement of the previously valid targets.

For the cycle through 2027, the Group is now aiming for a 30% increase in Group net income to more than EUR 2.5 billion in the 2027 financial year. Furthermore, the Group plans to increase the dividend by roughly 50% to EUR 4.00 per share by 2027.

NEW FINANCIAL TARGETS THROUGH 2027 [1]

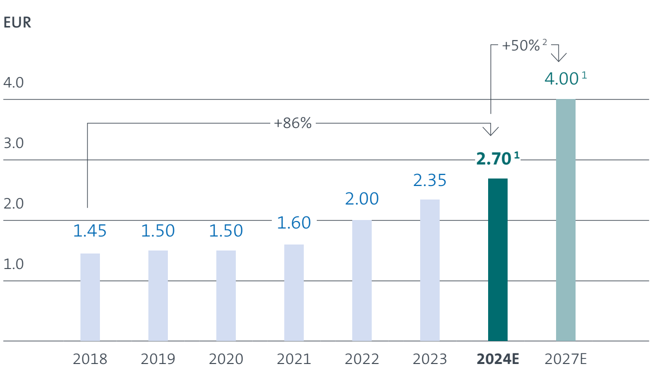
Group net income	Dividend
%	%
Increase 2024–2027	Increase 2024–2027
+30	**+50**

[1] The targets will apply from the 2024 financial year onwards; they are subject to large losses remaining within the respective large loss budgets and to there being no major disruptions on the currency and/or capital markets; target for Group net income growth by 2027 based on 2024 Group net income of >EUR 1,900 million; target for dividend growth by 2027 based on a divided of EUR 2.70 in 2024; dividend per share for the 2027 financial year will be paid in 2028, subject to the approval of the Supervisory Board and the Annual General Meeting.

Dividend policy and dividends

Talanx AG seeks to achieve a balance between attractive, sustainable and steadily rising dividends on the one hand and profitable growth of the Group on the other. The Group's current dividend policy sets forth that the proposed dividend for a given financial year should always exceed the previous year's level. Having already increased the dividend for the 2023 financial year by EUR 0.35 to EUR 2.35 per share, the Board of Management of Talanx AG will propose to the Annual General Meeting for the 2024 financial year to further raise the dividend by EUR 0.35 per share to EUR 2.70. Originally, shareholders had been promised a dividend of EUR 2.50 for the 2024 financial year. This would translate into a dividend yield of 3.7% (4.4%) for the 2024 financial year, based on an average share price for the year of EUR 72.27.

DIVIDEND PER SHARE, 2018 – 2027



[1] Subject to the approval of the Supervisory Board and the Annual General Meeting.
[2] Rounded.

A review of how the dividend has developed in the years 2018 – 2024 shows a remarkable increase of 86% based on the proposed dividend for 2024 of EUR 2.70. For the financial years 2025 to 2027, Talanx AG is aiming to increase the dividend by a further nearly 50% to EUR 4.00 per share. The dividend should therefore increase by a higher percentage than earnings.

GENERAL INFORMATION ON TALANX SHARES

German securities identification number (WKN)	TLX100
ISIN	DE000TLX1005
Ticker symbol (XETRA)	TLX
Share class	No-par value ordinary registered shares
Number of shares at year-end	258,228,991
Year-end closing price	EUR 82.15 (30 December 2024)
Annual high	EUR 85.40 (11 December 2024)
Annual low	EUR 63.45 (6 August 2024)
Stock exchanges	XETRA, Frankfurt, Hannover
Trading segment	Prime Standard of the Frankfurt Stock Exchange

Share prices based on XETRA daily closing prices.

Remunera-tion

Remuneration report PAGE 20

Remuneration report

Introduction

This remuneration report presents the remuneration structure and system for Talanx AG's Board of Management and Supervisory Board, and provides detailed information on the individual remuneration and other benefits awarded and due to current and former members of Talanx AG's Board of Management and Supervisory Board for their activities in financial year 2024.

The report was prepared by the Company's Board of Management and Supervisory Board in accordance with the requirements of section 162 of the German Stock Corporation Act (AktG) and complies with the recommendations and suggestions contained in the version of the German Corporate Governance Code (the "Code") published on 28 April 2022 and takes into account the relevant regulatory provisions. In addition to the sustainability statement, this report contains information on the integration of sustainability-related performance in incentive schemes (GOV-3) in line with the European Sustainability Reporting Standards (ESRS).

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft performed a formal and content audit of the remuneration report that went above and beyond the requirements set out in section 162(3) of the AktG. The remuneration report and the auditor's opinion on the audit of the remuneration report have been made available on Talanx AG's website (https://www.talanx.com/en/investor_relations/reporting/financial_reports).

Remuneration of the Board of Management

Overview of the remuneration system

The current remuneration system for the Board of Management has been in place since 1 January 2021. It meets the statutory and regulatory requirements of the Code and was approved by the Annual General Meeting of Talanx AG on 6 May 2021 with a majority of 96.5%. However, if material changes are made to the remuneration system, it is submitted to the Annual General Meeting for approval at least every four years. Given the approval of the remuneration report granted by the Annual General Meeting in 2024 with a majority of 98.2%, there was no need to examine or amend the remuneration system, its implementation or the nature of reporting. Spurred on by comments in investor meetings, in the previous year's remuneration report we took the opportunity to describe in more detail the application of the remuneration system in relation to variable remuneration. In addition to payouts relating to multi-year variable remuneration components in 2024, in this year's remuneration report we again also show the current status which is to be paid from multi-year variable remuneration in the next few years.

The structure of the remuneration system takes the expectations of investors and other key stakeholders into account. Remuneration comprises fixed (non-performance-related) and variable (performance- related) components. The focus here continues to be on the high degree of relevance of the variable remuneration and on strengthening the "pay for performance" principle. Variable remuneration is based on financial and non-financial performance criteria taken from the Talanx Group strategy. The Board of Management can influence these. Sustainability criteria are also taken into account when measuring performance and support the Company's sustainable, long-term development. Furthermore, the Board of Management's remuneration has been aligned closely with our investors' interests by increasing its equity-related aspects; this has been achieved using a performance share plan and by measuring Talanx's relative share price performance in comparison to our competitors. Malus and clawback rules allow the variable remuneration components paid to be reduced or reclaimed in the event of severe breaches of compliance. The main features of the remuneration system are shown below.

REMUNERATION SYSTEM STRUCTURE

Fixed remuneration	Fixed remuneration			**Maximum remuneration**
	Fringe benefits			
	Pension scheme			
Variable remuneration	Short-term incentive	40%	**Malus and clawback**	
	Long-term incentive (Talanx performance shares)	60%		

Principles governing Board of Management remuneration

The Talanx Group's strategy aims to sustainably enhance the Group's value for its stakeholders, and particularly its investors, customers and employees. In line with this, our Board of Management remuneration focuses on the principles of continuity, financial strength and profitability. Board of Management remuneration is a key means of advancing our Group strategy and the Talanx Group's long-term, sustainable development. Remuneration ensures a transparent, performance- driven incentive effect that is strongly aligned with the Company's long-term success and that is based in particular on performance criteria that are derived from the Group's strategy, as well as on Talanx AG's share price performance, including in a peer comparison. This aims to prevent excessive risk appetite.

The members of the Board of Management are remunerated in line with their performance and their areas of activity and responsibility, while taking the Company's situation into account. The regulatory framework for this is supplied by the provisions of the German Stock Corporation Act, the provisions of Article 275 of Delegated Regulation (EU) 2015/35 as amended by Delegated Regulation (EU) 2016/2283, and of the Insurance Supervision Act (VAG) in conjunction with the German Remuneration Regulation for Insurance Companies (VersVergV), plus the recommendations on the remuneration of members of the Board of Management contained in section G of the German Corporate Governance Code.

The Supervisory Board focuses on the following basic principles when establishing the remuneration for Talanx AG's Board of Management:

PRINCIPLES GOVERNING TALANX'S BOARD OF MANAGEMENT REMUNERATION

Advancement of corporate strategy	■ Performance criteria derived from corporate strategy
Long-term approach and sustainability	■ Variable remuneration predominantly share-based and with a multi-year focus ■ Sustainability risks and targets (ESG) included in the calculation of variable remuneration
Pay for performance	■ Majority of the total target direct remuneration consists of variable remuneration components ■ Adequate, ambitious performance criteria ■ Variable remuneration can range between zero and a cap
Appropriateness of remuneration	■ Remuneration paid to members of the Board of Management appropriately reflects both the members' responsibilities and performance and the Company's situation ■ Internal and external pay ratios taken into account ■ Caps on the individual variable remuneration components and total remuneration
Alignment with shareholder interests	■ Harmonisation of interests of members of the Board of Management and our shareholders ■ Malus and clawback rules apply to entire variable remuneration ■ Measuring relative performance creates incentives to ensure that we outperform our competitors on the capital markets in the long term
Market practice and regulatory compliance both taken into account	■ Board of Management remuneration takes current market practices on the part of relevant insurers into account ■ Compliance with key statutory and regulatory requirements applicable to Talanx is ensured
Transparency	■ Ex-post publication of targets and target achievement ■ Ex-post publication of individual premiums/discounts per member of the Board of Management

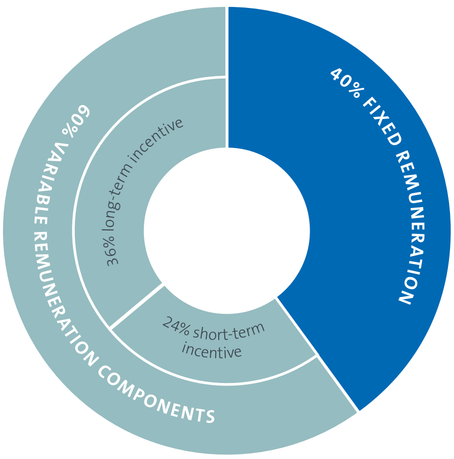
Remuneration structure

The key ideas behind Talanx's remuneration system for its Board of Management are pay for performance and a long-term approach.

The principle of pay for performance is underscored by the fact that the target direct remuneration (which comprises the total of the fixed remuneration and the target amounts for the variable remuneration components) consists of 40% fixed remuneration and 60% variable remuneration components. Variable remuneration is made up of a short-term incentive (STI) and a long-term incentive (LTI) that has a four-year performance period.

The remuneration structure is geared towards the Talanx Group's sustainable long-term development. The STI accounts for 40% of the variable remuneration components and hence for 24% of the target direct remuneration. The LTI accounts for 60% of the variable remuneration components and hence for 36% of the target direct remuneration.

STRUCTURE OF TARGET DIRECT REMUNERATION



Reviewing the appropriateness of Board of Management remuneration

The Supervisory Board determines the remuneration of the members of the Board of Management on the basis of the remuneration system, building on the recommendations made by the Personnel Committee. When establishing the remuneration, the Supervisory Board takes the individual members' responsibilities and tasks, their individual performance, the economic situation, and the Company's success and future prospects into account.

The question of whether the remuneration is customary in relation to other, comparable companies (horizontal comparison) and with respect to the amount and structure of remuneration within the Company (vertical comparison) was reviewed by the Supervisory Board at its meeting on 10 November 2024. The companies included in the MDAX as at 1 July 2024 (with the exception of Talanx AG) were used as the peer group for this horizontal comparison. As an additional indicator, the Board of Management's remuneration was also subject to a comparison with an individual peer group of relevant competitors. This peer group is also used in the multi-year variable remuneration to measure relative total shareholder return. The vertical comparison is based on the ratio between the remuneration paid to the Board of Management and the remuneration paid to Talanx's entire workforce in Germany. The process took both the status quo and the development of the remuneration ratios over time into account. To assess the appropriateness of Board of Management remuneration, the Supervisory Board took the opportunity open to it to engage an external remuneration consultant who is independent of the Board of Management and the Company.

Determining target remuneration

The contracts of service for all members of the Board of Management guarantee that they will be paid target remuneration in line with market conditions. This remuneration is based on their areas of responsibility and the skills and experience that are relevant to their work.

There is a good balance between fixed and variable remuneration components. The fixed component accounts for a sufficiently high share of target total remuneration, allowing the company to apply a flexible bonus policy, including the option of not paying any variable remuneration at all. Accordingly, there is no incentive for members of the Board of Management to take inappropriately high risks in exchange for higher bonus payments.

As part of its regular review of the target remuneration of the members of the Board of Management, the Supervisory Board decided to increase the total target remuneration effective 1 January 2024. The following table shows the target remuneration for all members of the Board of Management for financial year 2024. The target remuneration comprises the remuneration that will be awarded for the financial year if the target achievement is 100%.

TARGET REMUNERATION

	Torsten Leue (Chairman of the Board of Management) Chairman since 8 May 2018, member since 1 September 2010			Jean-Jacques Henchoz[1] Head of Division since 1 April 2019			Dr Wilm Langenbach Head of Division since 1 December 2020		
EUR thousand	2024		2023	2024		2023	2024		2023
Base remuneration	1,156	40%	1,020	1,048	40%	960	696	40%	540
Fringe benefits	6	—	8	22	1%	12	6	—	6
Other	—	—	—	—	—	—	—	—	—
Fixed remuneration components	**1,162**		**1,028**	**1,070**		**972**	**702**		**546**
One-year variable remuneration (STI)	694	24%	612	629	24%	576	418	24%	324
Multi-year variable remuneration (LTI) – (Performance Shares 2024/2023)	1,040	36%	918	943	36%	864	626	36%	486
Variable remuneration components	**1,734**		**1,530**	**1,572**		**1,440**	**1,044**		**810**
Total target remuneration	**2,896**	**100%**	**2,558**	**2,642**	**100%**	**2,412**	**1,746**	**100%**	**1,356**
Pension expense[2]	742		646	143		118	123		84

[1] Including target remuneration for Hannover Rück SE in the amount of EUR 2,322 thousand in 2024 and EUR 2,112 thousand in 2023.
[2] The figure shown represents the service cost recognised in the reporting period for pensions and other post-retirement benefits.

Pay ratios

Total remuneration for the Chairman of the Board of Management in the reporting period was 33 times the average target total remuneration for all employees (excluding the Board of Management). Target total remuneration for the average of all members of the Board of Management was 22 times the average target total remuneration for all employees (excluding the Board of Management). The target total remuneration of the average of all employees refers to the workforce of Talanx in Germany.

Compliance with the maximum remuneration

The Supervisory Board has defined a maximum amount of remuneration for each member of the Board of Management, comprising the sum of the fixed remuneration, fringe benefits, the STI and LTI, and the pension expense ("maximum remuneration"), in accordance with section 87a(1) sentence 2 no. 1 of the AktG. The maximum remuneration sets a limit on all payouts resulting from awards made for a specific financial year, regardless of when they actually accrue. For the financial year 2024, the maximum remuneration for the Chairman of the Board of Management is EUR 6,000,000, that for the Head of the Reinsurance Division is EUR 5,000,000 and that for all other members of the Board of Management is EUR 4,000,000.

A final report on compliance with the maximum remuneration for financial year 2024 can only be made once the tranche of the LTI granted for 2024 has been paid out in 2029. Should the LTI payout lead to the maximum remuneration being exceeded, the payout will be reduced so as to ensure compliance with the cap.

Adjustment of the Board of Management remuneration system from financial year 2025

Pursuant to section 120a(1) sentence 1 of the German Stock Corporation Act (AktG), the general meeting of a listed company is required to adopt a resolution approving the remuneration system presented by the supervisory board for the members of the board of management at least every four years and whenever there is a material change. The Annual General Meeting last passed such a resolution on 6 May 2021, meaning that in accordance with this requirement, a new resolution will need to be passed at the Annual General Meeting in 2025. In light of this, the Supervisory Board reviewed the existing remuneration system, taking into account Talanx's strategic objectives with respect to market conditions and competitiveness. At its meeting on 12 November 2024, the Supervisory Board approved a slightly adjusted remuneration system based on the recommendation of the Personnel Committee. This system will be applied with effect from 1 January 2025. The current remuneration system has proven itself and will therefore be retained as far as possible, which is why fundamental adjustments were not necessary. The new remuneration system will include an explicit provision for the inclusion of a severance pay cap in the employment contracts of members of the Board of Management, according to which any severance pay stipulated in the contract may not exceed a maximum of two years' total remuneration or the remuneration for the remaining term of the contract, whichever is lower. This change will thus reflect the corresponding recommendation in G 13 of the Code in said employment contracts. Furthermore, an increase in the maximum remuneration in accordance with section 87a of the German Stock Corporation Act (AktG) was adopted in order to reflect the increase in the target remuneration of the members of the Management Board that took effect on 1 January 2024. From the financial year 2025 onward, the maximum remuneration for the Chairman of the Board of Management will be EUR 7,000,000, that for the Head of the Reinsurance Division will be EUR 6,000,000 and that for all other members of the Board of Management will be EUR 5,000,000.

	Dr Edgar Puls Head of Division since 9 May 2019			Caroline Schlienkamp Member of the Board of Management since 1 May 2022			Jens Warkentin Head of Division since 1 January 2023			Dr Jan Wicke (Chief Financial Officer) Chief Financial Officer since 1 September 2020, member since 1 May 2014		
	2024		2023	**2024**		2023	**2024**		2023	**2024**		2023
	557	40%	512	588	40%	400	588	40%	400	704	40%	646
	4	—	6	12	—	12	5	—	11	6	—	6
	—	—	—	—	—	—	—	—		—	—	
	561		**518**	**600**		**412**	**593**		**411**	**710**		**652**
	334	24%	307	353	24%	240	353	24%	240	422	24%	388
	501	36%	461	529	36%	360	529	36%	360	633	36%	581
	835		**768**	**882**		**600**	**882**		**600**	**1,056**		**969**
	1,396	**100%**	**1,286**	**1,482**	**100%**	**1,012**	**1,475**	**100%**	**1,011**	**1,766**	**100%**	**1,621**
	113		91	100		48	103		43	139		142

Application of the remuneration system in financial year 2024

The following table provides an overview of the components of Talanx's remuneration system in financial year 2024 and the associated targets:

OVERVIEW OF REMUNERATION COMPONENTS

Component		Basis of assessment/parameters	Objective
FIXED REMUNERATION COMPONENTS	**Fixed remuneration**	The fixed remuneration is paid in cash in 12 equal monthly instalments	
	Fringe benefits	Company vehicle for business and private use; appropriate levels of accident, luggage and D&O insurance	■ Recruitment and retention of the best-suited members of the Board of Management ■ Remuneration reflecting the responsibilities, skills and experience of the individual members of the Board of Management concerned
	Pension scheme	Defined contribution commitments: annual contribution to the plan in the amount of 25% of defined basis of assessment Chairman of the Board of Management: Defined benefit pension commitment: contribution to pension plan calculated as percentage of the fixed annual pensionable salary	■ Fringe benefits granted in line with normal market conditions/pension schemes in order to recruit and retain the best-suited members of the Board of Management
VARIABLE REMUNERATION COMPONENTS	**Short-term incentive (STI)**	**Target bonus model** Performance criteria: ■ Talanx Group RoE ■ Individual performance criteria (financial and non-financial, including ESG goals) Cap: 200% of STI target amount	■ Incentivises to achieve or surpass the annual corporate and divisional targets, and remuneration reflecting members' individual contribution to earnings and sustainability
	Long-term incentive (LTI)	**Performance share plan (Talanx Performance Shares)** **Four-year performance period** LTI award amount depends on target achievement levels determined for: ■ Talanx Group RoE for previous financial year ■ Individual performance criteria for previous financial year Performance criteria: ■ Talanx's share price performance (plus dividends) ■ Relative total shareholder return (compared to relevant competitors) Cap: 400% of LTI target amount	■ Recognition of success achieved in previous year ■ Incentive to create long-term shareholder value ■ Motivation to outperform competitors
		For the STI and the LTI a retroactive adjustment of the targets/comparative parameters is excluded.	
OTHER ARRANGEMENTS	**Maximum remuneration**	Chairman of the Board of Management: EUR 6,000,000 Head of Reinsurance Division: EUR 5,000,000 Other members of the Board of Management: EUR 4,000,000	■ Cap on the total remuneration awarded for a financial year ■ Compliance with the regulatory requirements set out in the AktG
	Malus and clawback	Ability of the Supervisory Board not to pay out ("malus") or to reclaim ("claw back") variable remuneration in whole or in part in cases of gross misconduct or errors in the consolidated financial reporting. Reduction or cancellation of variable remuneration also possible where required for regulatory reasons	■ Improvement to the Supervisory Board's position in the case of severe compliance breaches

Fixed remuneration components

Fixed remuneration

The fixed remuneration is paid in cash in 12 equal monthly instalments. It is primarily based on the range of tasks performed by, and professional experience of, the member of the Board of Management concerned.

Fringe benefits

In addition, the members of the Board of Management receive certain non-performance-related fringe benefits; these are in line with normal market conditions and are reviewed at regular intervals. The members of the Board of Management are provided with a vehicle for their business and private use for the duration of their appointment. The tax on the non-cash benefit resulting from the private use of this company vehicle shall be paid by the member of the Board of Management concerned. In addition, the Company provides members of the Board of Management with an appropriate level of insurance cover under Group contracts (accident, luggage and D&O insurance).

Sign-on/recruitment bonuses are paid only in exceptional cases if a new member of the Board of Management loses out on a bonus from his/her previous employer. Compensation for remuneration components not received from the previous employer is generally paid in several instalments and is subject to conditions.

Pension scheme

With the exception of the Chairman of the Board of Management, Mr Leue, for whom a commitment to pay a final salary-based annual retirement pension has been made, the members of the Board of Management have been given defined contribution pension commitments. Additional information can be found in the section entitled "Termination benefits".

Variable remuneration components

The variable remuneration components comprise a short-term incentive (STI), which is calculated on the basis of the financial year in question, and a long-term incentive (LTI) with a four-year performance period.

The performance criteria used to measure and assess target achievement are derived from Talanx's corporate strategy. The variable remuneration components are designed to promote the Talanx Group's long-term development. The following overview shows the close links between the performance criteria and other aspects of the variable remuneration on the one hand and Talanx's corporate strategy on the other, and explains how the variable remuneration promotes Talanx's long-term development.

As a general rule, the Company does not grant members of the Board of Management guaranteed variable remuneration.

VARIABLE REMUNERATION COMPONENTS

Remuneration component	Performance criterion/aspect	Alignment with strategy/promotion of long-term development
SHORT-TERM INCENTIVE (STI)	**Group RoE**	■ RoE is one of Talanx's strategic management metrics ■ Target aligned with the objective of long-term value creation
	Individual premium/discount	■ Takes the contribution made by individual members of the Board of Management and the results of the divisions for which they are responsible into account ■ Consideration of sustainability risks and targets in Board of Management remuneration
LONG-TERM INCENTIVE (LTI)	**Award amount depends on STI target achievement levels**	■ Increases incentive to achieve STI target ■ Underscores idea of pay for performance
	Share price performance	■ Ties share price performance to Board of Management remuneration ■ Aligns interests of members of the Board of Management and shareholders
	Four-year performance period	■ Focus on long-term success and ensuring Talanx's long-term development
	Relative TSR	■ Incentivises to ensure that Talanx outperforms relevant competitors on the capital markets in the long term

Short-term incentive (STI)

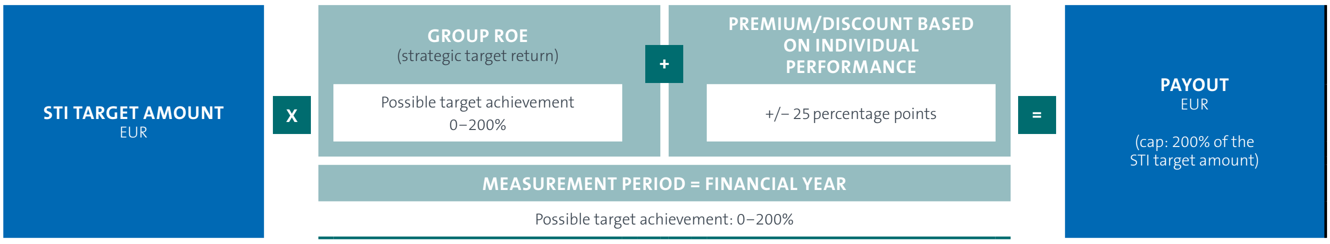
a) Basic information

The STI is geared towards Talanx AG's business performance in a particular financial year. In addition to the financial performance criterion of the Talanx Group's return on equity (RoE) as stated in Talanx's consolidated financial statements ("Group RoE"), an individual premium or discount is applied when determining the amount to be paid out. This includes both financial and non-financial performance criteria (especially sustainability targets and risks) and takes into account both the overall responsibility of the Board of Management and the divisional responsibilities of its individual members. As a result, the STI helps achieve the objective of ensuring a high, stable return on equity for the Talanx Group, promotes the implementation of strategic focus topics assigned specifically to the Board of

Management or individual areas, and reflects the interests of our investors, clients, employees and other key stakeholders.

The STI payout is based on the contractually stipulated STI target amount, which assumes an overall target achievement of 100%. The overall target achievement (including individual premiums and discounts) can range between 0% and 200% of the STI target amount. As a result, the payout under the STI is capped at 200% of the target amount.

SHORT-TERM INCENTIVE



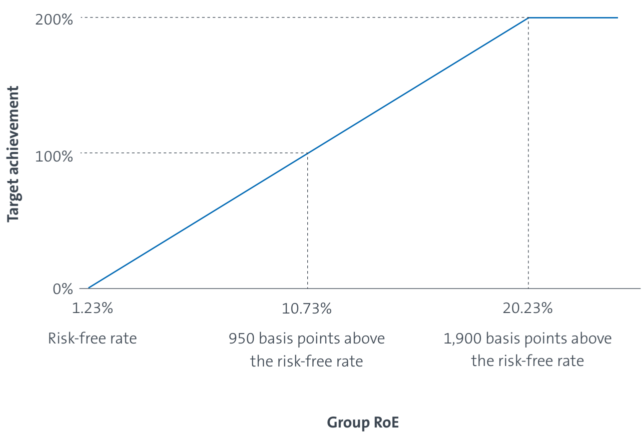
b) Financial performance criterion

The main financial performance criterion for the STI (which has a weighting of 100%) is Group RoE as compared to a strategic target return; this is determined using the five-year average risk-free rate for ten-year German government bonds plus an ambitious spread. Group RoE is one of the key performance indicators in Talanx's management system and as such has also been implemented in the Board of Management's remuneration. Talanx aims to achieve a high return on equity. The Group is focused on a long-term increase in value. Using Group RoE as a key performance criterion for the STI creates incentives to achieve this target.

The Supervisory Board sets the target for Group RoE and the target corridor complete with a ceiling and floor in advance for the coming financial year. The target is aligned with the strategic target return for the Talanx Group that applies at the time it is established.

The target (100% target achievement) for Group RoE set by the Supervisory Board for financial year 2024 was 950 basis points above the risk-free rate. The five-year average risk-free rate for ten-year German government bonds at the end of 2024 was 1.23%. This puts target RoE for financial year 2024 at 1,073 basis points. Group RoE in financial year 2024 was 17.88% (1,788 basis points). This corresponds to a target achievement for the Group RoE performance criterion of 175.27%.

TARGET ACHIEVEMENT FOR GROUP ROE IN FINANCIAL YEAR 2024



Group RoE	17.88%
Risk-free rate	1.23%
Target RoE	10.73%
Target achievement	**175.27%**

At its meeting on 12 November 2024, the Supervisory Board agreed to leave the target for Group RoE (strategic target return) for financial year 2025 unchanged at 950 basis points above the risk-free interest rate.

c) Individual premium/discount

In addition to the Talanx Group's financial performance, the Supervisory Board can use individual premiums or discounts on the target achievement for the Group RoE performance criterion within the STI to take into account the individual contributions to earnings and to achieving sustainability targets made by members of the Board of Management and, where appropriate, the divisions for which they are responsible. The Supervisory Board establishes the size of the premium or discount, which can range between –25 percentage points and +25 percentage points, at its reasonable discretion. The Supervisory Board specifies the various criteria and indicators used to determine the individual premium/discount in advance for the coming year, and informs the members of the Board of Management of them.

The Supervisory Board had specified the following criteria and indicators for financial year 2024 for the individual members of the Board of Management and, based on this, applied the following individual premiums/discounts after the end of the financial year:

The information disclosed in the contribution to the sustainability strategy column fulfils the requirements of ESRS 2 GOV-3, paragraph 29b and ESRS 2 E1 GOV-3 of the ESRS.

Board of Management member	Individual contribution to result			Sustainability		Individual premium/discount
	Performance	Ability to pay dividends/distribute profits	Strategic objective	Leadership/Engagement (ES) [1]	Contribution to sustainability strategy	
Torsten Leue	■ Covered by Group RoE performance criterion	■ Ability of Talanx AG to pay dividends	■ Scheduled implementation of the strategy in 2024 according to the 2023–2025 strategy cycle ■ Successful completion of Liberty integration in accordance with medium-term planning	■ Group engagement score above peer level (financial services benchmark)	■ Further development and implementation of the sustainability strategy to position Talanx as a sustainable group in the areas of underwriting, investment and emissions reduction (operations)	+15 ppts
Jean-Jacques Henchoz	■ Reinsurance segment RoE	■ Ability of Hannover Re to distribute profits to Talanx AG	■ Sustainable outperformance versus peer group in the Reinsurance segment in the strategy cycle 2024 to 2026	■ Reinsurance segment engagement score above peer level (financial services benchmark)	■ Further development and implementation of the sustainability strategy to position Talanx as a sustainable group in the areas of underwriting, investment and emissions reduction (operations)	+10 ppts
Dr Wilm Langenbach	■ Retail International segment RoE	■ Ability of the Retail International Division to distribute profits to Talanx AG	■ Implementation of the HINexT 2025 strategy, in particular achieving and reducing the gap to a top-five position in core markets through profitable organic and inorganic growth ■ Realisation of medium-term planning as regards Liberty	■ Retail International segment engagement score above peer level (financial services benchmark)	■ Further development and implementation of the sustainability strategy to position Talanx as a sustainable group in the areas of underwriting, investment and emissions reduction (operations)	+15 ppts
Dr Edgar Puls	■ Corporate & Specialty segment RoE	■ Ability of the Corporate & Specialty Division to distribute profits to Talanx AG	■ Further implementation of the HDI 4.0 project according to plan, with a focus on underwriting excellence, becoming a global player and becoming a leading specialty player	■ Corporate & Specialty segment engagement score above peer level (financial services benchmark)	■ Further development and implementation of the sustainability strategy to position Talanx as a sustainable group in the areas of underwriting, investment and emissions reduction (operations)	+15 ppts

Board of Management member	Individual contribution to result: Performance	Individual contribution to result: Ability to pay dividends/ distribute profits	Individual contribution to result: Strategic objective	Sustainability: Leadership/ Engagement (ES) [1]	Sustainability: Contribution to sustainability strategy	Individual premium/ discount
Caroline Schlienkamp	■ Cost development in her areas of responsibility in line with plans	■ Ability of Talanx AG to pay dividends	■ Internationalisation of governance duties in Compliance and Data Protection ■ Further development of Group Procurement into a scalable unit with strong customer focus and a high level of service ■ Further implementation of the People & Culture strategy, increase in customer satisfaction through new organisational structure	■ Group engagement score above peer level (financial services benchmark)	■ Further development and implementation of the sustainability strategy through consultation on sustainability issues and carbon emissions reduction in German operations	+5 ppts
Jens Warkentin	■ Retail Germany segment RoE	■ Ability of the Retail Germany Division to distribute profits to Talanx AG	■ Optimisation of operations and underwriting in P&C operations and claims ■ Completion of migration and IT path in the period until 2026 in accordance with milestone planning ■ Development of Group-wide positioning on generative artificial intelligence	■ Retail Germany segment engagement score above peer level (financial services benchmark)	■ Further development and implementation of the sustainability strategy to position Talanx as a sustainable group in the areas of underwriting, investment and emissions reduction (operations)	+10 ppts
Dr Jan Wicke	■ Covered by Group RoE performance criterion	■ Ability of Talanx AG to pay dividends	■ Ampega Asset Management cost-income ratio II in peer comparison ■ Integration of the Liberty companies into the Talanx Re target operating model	■ Group engagement score above peer level (financial services benchmark)	■ Ensuring CSRD-compliant reporting for financial year 2024	+5 ppts

[1] The engagement score refers to the result of the annual employee survey on employee engagement ("Engagement Survey") conducted within the Talanx organisation. In financial year 2024, the previous Organisational Health Check Survey was replaced by the Engagement Survey.

d) Overall target achievement and payouts for the 2024 STI

The following table shows the overall target achievement and the resulting payouts to be made to the individual members of the Board of Management:

PAYOUTS UNDER TALANX AG'S 2024 STI

EUR thousand

Board of Management member	Target amount	Group RoE target achieved	Individual premium/ discount	Overall target achievement	Payout
Torsten Leue	694	175.3%	+15 ppts	**190.3%**	**1,320**
Jean-Jacques Henchoz	77	175.3%	+10 ppts	**185.3%**	**142**
Dr Wilm Langenbach	418	175.3%	+15 ppts	**190.3%**	**795**
Dr Edgar Puls	334	175.3%	+15 ppts	**190.3%**	**636**
Caroline Schlienkamp	353	175.3%	+5 ppts	**180.3%**	**636**
Jens Warkentin	353	175.3%	+10 ppts	**185.3%**	**654**
Dr Jan Wicke	422	175.3%	+5 ppts	**180.3%**	**761**

In addition, Jean-Jacques Henchoz receives payouts under the STI for the Hannover Rück SE remuneration system due, since he is Chairman of Hannover Rück SE's Board of Management. Hannover Rück SE's STI system is structured in a similar manner to Talanx's STI. Target achievement for the Group RoE performance criterion is based on the RoE achieved by Hannover Rück SE. The target (100% target achievement) for Hannover Re's Group RoE set by Hannover Re's Supervisory Board for financial year 2024 was 1,050 basis points above the risk-free rate. The five-year average risk-free rate for ten-year German government bonds at the end of 2024 was 1.23%. This puts Hannover Re's target RoE for financial year 2024 at 1,173 basis points. Hannover Re generated Group RoE of 21.25% in financial year 2024 (2,125 basis points). This corresponds to a target achievement for the Group RoE performance criterion of 190.67%.

The individual premiums/discounts are determined by Hannover Re's Supervisory Board on the basis of predefined criteria.

The following table provides a detailed overview of the payouts made to Mr Henchoz under Hannover Rück SE's STI.

PAYOUTS UNDER HANNOVER RÜCK SE'S 2024 STI

EUR thousand

Board of Management member	Target amount	Group RoE target achieved	Individual premium/ discount	Overall target achieve-ment	Payout
Jean-Jacques Henchoz	552	190.7%	+5 ppts	**195.7%**	**1,080**

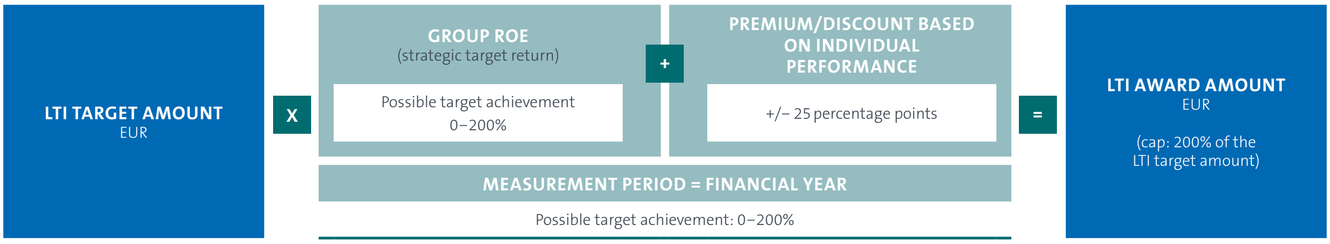
Long-term incentive (LTI)

a) Basic information

The LTI plays a key role in aligning the interests of the Board of Management with those of our shareholders. Measuring the relative performance of the Talanx shares creates incentives to ensure that we outperform our competitors on the capital markets in the long term.

The LTI takes the form of a performance share plan, offering an incentive to increase the value of Talanx's shares in the interests of our investors. The amount awarded under the LTI (LTI award amount) is based on the contractually agreed LTI target amount and depends on the target achievement for the Group RoE financial performance criterion that was established in the context of the STI for the financial year in question, plus the individual premium or discount specified by the Supervisory Board for the financial year (overall target achievement).

LONG-TERM INCENTIVE



The 2024 LTI tranche (Talanx 2024 Performance Shares) will be awarded in financial year 2025 on the basis of the overall target achievement for the 2024 STI. The number of Talanx Performance Shares awarded is determined by the LTI award amount plus Talanx's average share price in the period between the 15 exchange trading days before and the 15 exchange trading days after the Supervisory Board meeting that considers the consolidated financial statements in the year in which the award is made. The total term of the Talanx Performance Shares ("performance period") is four years. The 2024 LTI tranche will be paid out at the end of the four-year performance period in calendar year 2029.

The following table shows the award amounts of the LTI tranche.

AWARDS UNDER TALANX AG'S 2024 LTI TRANCHE

EUR thousand

Board of Management member	Target amount	Overall target achievement for the 2024 STI	Award amount
Torsten Leue	1,040	190.3%	**1,980**
Jean-Jacques Henchoz	115	185.3%	**213**
Dr Wilm Langenbach	626	190.3%	**1,192**
Dr Edgar Puls	501	190.3%	**953**
Caroline Schlienkamp	529	180.3%	**954**
Jens Warkentin	529	185.3%	**980**
Dr Jan Wicke	633	180.3%	**1,142**

At the end of the four-year performance period, the basic payout is calculated in a first step based on the basis of Talanx's share price performance. This payout is the product of the number of Talanx performance shares awarded and Talanx AG's average share price in the period between the 15 trading days before and the 15 trading days after the Supervisory Board meeting that considers the consolidated financial statements in the year in which the four-year performance period ends, plus the dividends paid during the performance period. The change in performance thus reflects the total shareholder return in full.

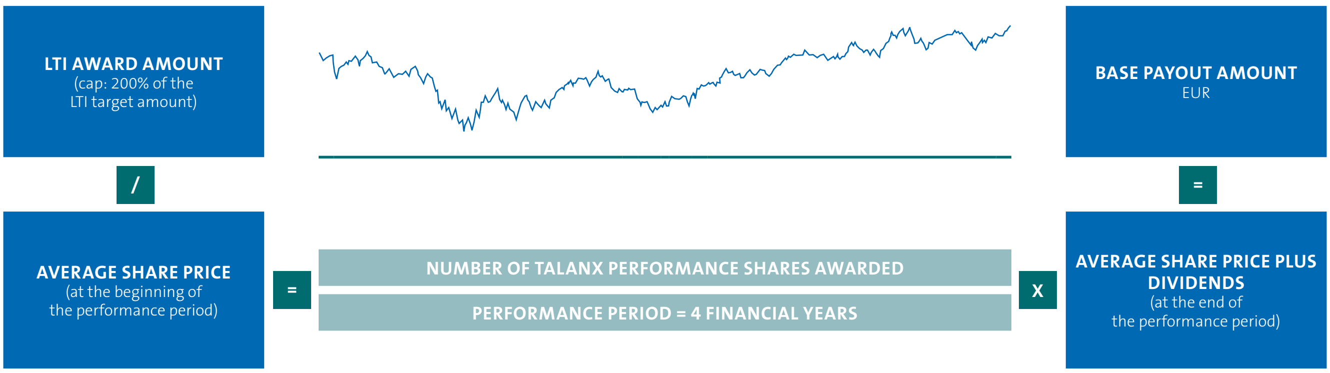
In addition, Jean-Jacques Henchoz receives payouts under the LTI for the Hannover Rück SE remuneration system due, since he is Chairman of Hannover Rück SE's Board of Management. Hannover Rück SE's LTI system is structured in a similar manner to Talanx's LTI.

AWARDS UNDER HANNOVER RÜCK SE'S 2024 LTI TRANCHE

EUR thousand

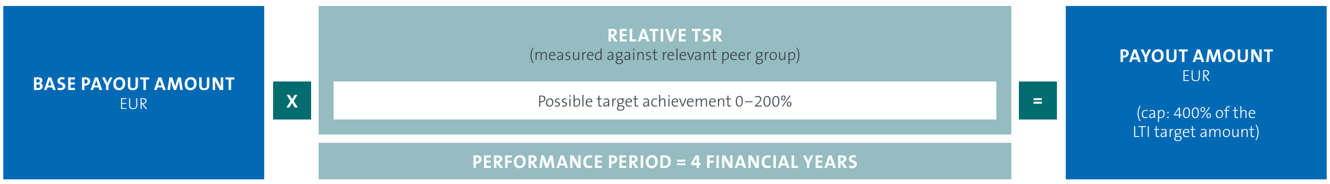
Board of Management member	Target amount	Overall target achievement for the 2024 STI	Award amount
Jean-Jacques Henchoz	828	195.7%	**1,620**

LTI – INCLUSION OF SHARE PRICE PERFORMANCE IN CALCULATION



The final payout is the product of the basic payout and the target achievement for the relative total shareholder return ("relative TSR") compared to a peer group. The payout for the LTI is capped at 200% of the LTI award amount and can therefore amount to a maximum of 400% of the LTI target amount overall – provided that the sum of all remuneration components does not exceed the maximum remuneration set out in section 87a(1) sentence 2 no. 1 of the AktG.

LTI – INCLUSION OF PERFORMANCE PEER GROUP IN CALCULATION



b) Financial performance criterion

The main performance criterion for the final LTI payout is the relative TSR. The use of this measure incorporates an external, capital market-driven performance criterion into the variable remuneration, thus permitting relative performance measurement and the alignment of Board of Management and shareholder interests. The relative TSR represents Talanx's share price performance over the four-year performance period, including the gross dividends paid, in comparison to a peer group comprising relevant competitors in the insurance sector. The LTI thus incentivises the achievement of a strong, long-term and sustainable performance of Talanx shares on the capital market.

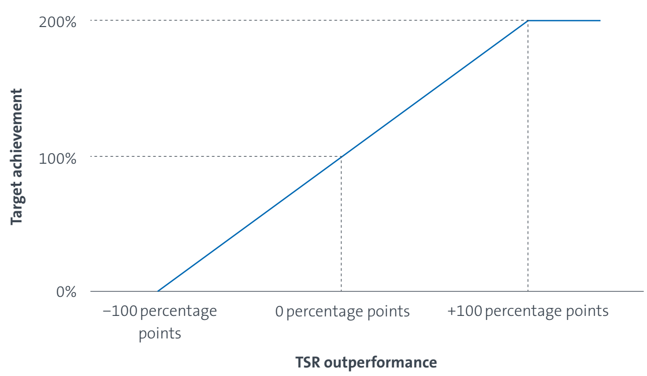
The target achievement for the relative TSR is determined by comparing the TSR for Talanx AG's shares with the shares of its peer group companies during the four-year performance period. This is done by comparing the TSR of Talanx's shares during the performance period in question with the unweighted average TSR for the peer group. The Supervisory Board reviews the peer group before the start of each performance period for a new LTI tranche. In the case of the 2024 LTI tranche it consists of the following companies:

PEER GROUP COMPANIES

Allianz SE	Münchener Rückversicherungs Gesellschaft AG
AXA S.A.	Swiss Re AG
Generali S.p.a.	Vienna Insurance Group AG
Mapfre S.A.	Zurich Insurance Group AG

If the TSR for Talanx's shares corresponds to the unweighted average TSR for the peer group, the target achievement for the relative TSR is 100%. Every percentage point by which the TSR for Talanx's shares exceeds or fails to reach the unweighted average TSR for the peer group results in a corresponding increase or decrease of the target achievement (linear scaling). If the TSR for Talanx's shares exceeds the unweighted average TSR for the peer group by 100 percentage points or more, the target achievement for the relative TSR is 200%. Any further increase in the relative TSR does not lead to a further increase in the target achievement. If the TSR for Talanx's shares is below the unweighted average TSR for the peer group by 100 percentage points or more, the target achievement for the relative TSR is 0%.

RELATIVE TSR



The target achievement for the 2024 LTI tranche is published in the remuneration report for the 2029 financial year after the end of the performance period.

Payouts relating to multi-year variable remuneration components

Payouts relating to multi-year variable remuneration components under the old remuneration system, which was used up to the end of financial year 2020, were made in financial year 2024. Under the old system, the variable remuneration for a financial year consisted of a Group bonus, an individual personal bonus and – in the case of Board Members responsible for a specific division – a divisional bonus. A total of 60% of the amount determined for each member of the Board of Management was paid out after the end of the financial year concerned, while 20% was added to a bonus bank and a further 20% was awarded in the form of virtual shares (Talanx share awards). The Talanx share awards made in financial year 2020 on the basis of the target achievements for the variable remuneration for financial year 2019 (Talanx share awards 2019) and the amount added to the bonus bank in financial year 2021 on the basis of the target achievement for the variable remuneration for financial year 2020 (bonus bank 2020) were paid out in 2024.

a) 2019 Talanx share awards

Under the previous remuneration system, the equivalent of 20% of the variable remuneration determined was awarded automatically as Talanx share awards once the variable remuneration had been determined for a financial year. The share price at the time the award was made was determined using the unweighted arithmetic mean of the XETRA closing prices in the period between the five trading days before to the five trading days after the Supervisory Board meeting considering the consolidated financial statements. After a lock-up period of four years, the value of the Talanx share awards as determined at the payout date is paid out. Once again, the value of the shares is determined using the unweighted arithmetic mean of the XETRA closing prices in the period between the five trading days before to the five trading days after the Supervisory Board meeting considering the consolidated financial statements. In addition, the aggregate dividends per share distributed during the lock-up period are paid out.

The lock-up period for the Talanx share awards awarded in financial year 2020 on the basis of the variable remuneration for 2019 expired in financial year 2024 and the value determined was paid out.

The following table provides an overview of the payments under the Talanx 2019 share awards:

PAYMENTS UNDER THE TALANX 2019 SHARE AWARDS

Board of Management member	Award amount (20% of 2019 variable remuneration) EUR thousand	Average share price at end of lock-up period EUR	Total dividends per share distributed EUR	Payment amount EUR thousand
Torsten Leue	318	70.66	6.60	**840**
Dr Jan Wicke	210	70.66	6.60	**556**
Dr Edgar Puls	69	70.66	6.60	**183**
Jean-Jacques Henchoz	45	70.66	6.60	**120**

The following table provides an overview of the payments under the Hannover Re 2019 share awards:

PAYMENTS UNDER THE HANNOVER RE 2019 SHARE AWARDS

Board of Management member	Award amount (20% of 2019 variable remuneration) EUR thousand	Average share price at end of lock-up period EUR	Total dividends per share distributed EUR	Payment amount EUR thousand
Jean-Jacques Henchoz	207	245.19	21.75	**397**

b) 2020 bonus bank

Additionally, the amount added to the bonus bank in financial year 2021 on the basis of the variable remuneration for 2020 was paid out in financial year 2024.

The payout in each case is the positive amount that was added to the bonus bank three years before the payout date, provided that it does not exceed the balance available in the bonus bank after taking credits/ debits into account (up to and including credits/debits for the most recent past financial year). Any upcoming payouts that are not covered by a positive bonus bank balance lapse.

The following table provides an overview of the payments from 2020 bonus bank:

2020 BONUS BANK PAYMENTS

EUR thousand

Board of Management member	Amount added (20% of 2020 variable remuneration)	Payout
Torsten Leue	301	**301**
Jean-Jacques Henchoz	64	**64**
Dr Edgar Puls	112	**112**
Dr Jan Wicke	198	**198**

The following table provides an overview of the payments from 2020 bonus bank of Hannover Rück SE:

2020 BONUS BANK PAYMENTS OF HANNOVER RÜCK SE

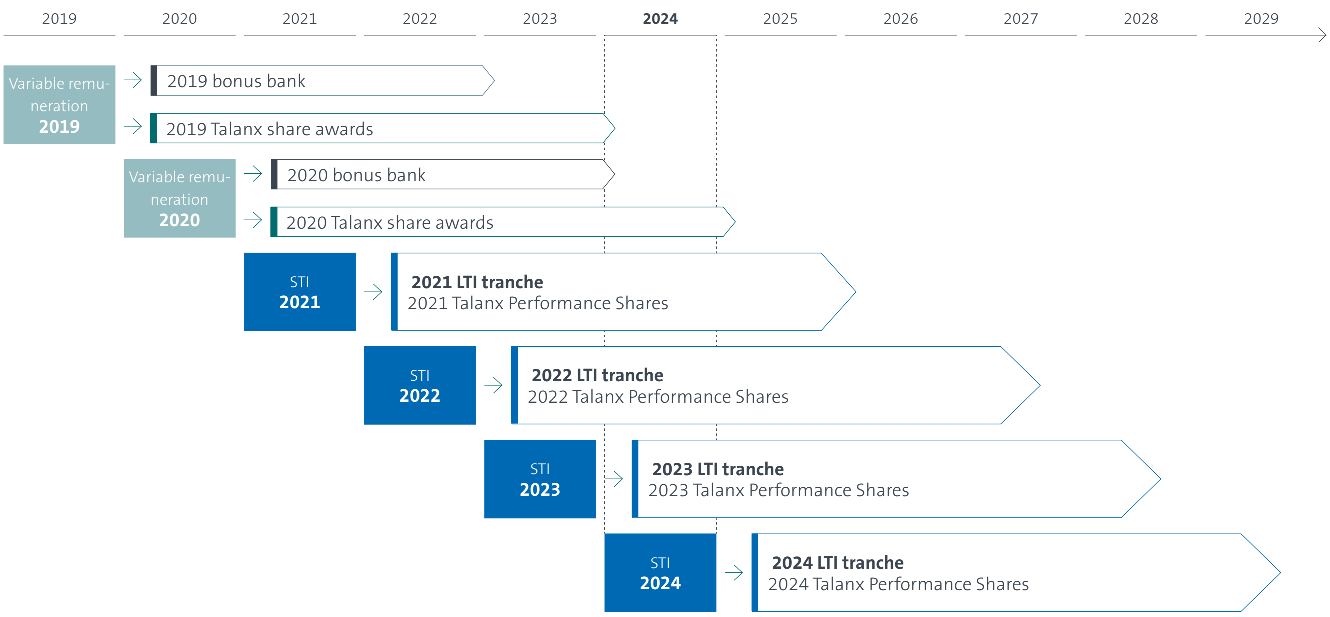
EUR thousand

Board of Management member	Amount added (20% of 2020 variable remuneration)	Payout
Jean-Jacques Henchoz	269	**269**

Overview of multi-year variable remuneration components

The following table provides an overview of the multi-year variable remuneration components:

MULTI-YEAR VARIABLE REMUNERATION COMPONENTS



The following tables give an overview of what is to be paid from multi-year variable remuneration in the next few years:

TALANX SHARE AWARDS FOR ACTIVE BOARD OF MANAGEMENT MEMBERS AS AT 31 DECEMBER 2024 (REMUNERATION SYSTEM UP TO 2020)

	No. of shares awarded for FY 2020	
Board of Management member	Average share price at award: EUR 36.38	Total
Torsten Leue	8,271	**8,271**
Jean-Jacques Henchoz	1,765	**1,765**
Dr Wilm Langenbach	—	**—**
Dr Edgar Puls	3,066	**3,066**
Caroline Schlienkamp	—	**—**
Jens Warkentin	—	**—**
Dr Jan Wicke	5,438	**5,438**

TALANX PERFORMANCE SHARES FOR BOARD OF MANAGEMENT MEMBERS AS AT 31 DECEMBER 2024 (REMUNERATION SYSTEM AS FROM 2021)

	No. of shares awarded for FY 2023	No. of shares awarded for FY 2022	No. of shares awarded for FY 2021	
Board of Management member	Average share price at award: EUR 69,65	Average share price at award: EUR 43.27	Average share price at award: EUR 39.31	Total
Torsten Leue	26,361	34,692	32,835	**93,888**
Jean-Jacques Henchoz	2,809	3,906	3,726	**10,441**
Dr Wilm Langenbach	13,956	18,374	16,765	**49,095**
Dr Edgar Puls	12,316	17,417	17,068	**46,801**
Caroline Schlienkamp	9,364	8,736	—	**18,100**
Jens Warkentin	9,364	—	—	**9,364**
Dr Jan Wicke	15,121	21,020	20,056	**56,197**

The following tables provide an overview of the amounts due to be paid to Mr Henchoz in the next few years from the multi-year variable remuneration of Hannover Rück SE:

HANNOVER RÜCK SHARE AWARDS FOR MR HENCHOZ AS AT 31 DECEMBER 2024 (REMUNERATION SYSTEM UP TO 2020)

Board of Management member	No. of shares awarded for FY 2020 Average share price at award: EUR 150,42	Total
Jean-Jacques Henchoz	1,786	**1,786**

HANNOVER RE PERFORMANCE SHARES FOR MR HENCHOZ AS AT 31 DECEMBER 2024 (REMUNERATION SYSTEM AS FROM 2021)

Board of Management member	No. of shares awarded for FY 2023 Average share price at award: EUR 242,71	No. of shares awarded for FY 2022 Average share price at award: EUR 176.66	No. of shares awarded for FY 2021 Average share price at award: EUR 156.31	Total
Jean-Jacques Henchoz	5,850	6,441	6,554	**18,845**

Malus and clawback policy, risk adjustment

If a member of the Board of Management intentionally infringes one of their fundamental duties of care in accordance with section 93 of the AktG, a material duty under their contract of service, or other material principles of conduct set out by the Company (e.g. in the Code of Conduct or the Compliance Guidelines), the Supervisory Board can, at its reasonable discretion, reduce the as yet unpaid variable remuneration either in part or to zero (“malus”) or reclaim the gross amount of the variable remuneration that has already been paid in whole or in part (“clawback”). No clawback is possible if the infringement in question took place more than five years ago.

When reaching its discretionary decision, the Supervisory Board will take into account the severity of the infringement, the degree of culpability exhibited by the member of the Board of Management, and the pecuniary and non-pecuniary damage caused to the Company.

Furthermore, members of the Board of Management must repay variable remuneration that has already been paid if and to the extent that it transpires following the payout that the audited and adopted consolidated financial statements on which the calculation of the payout was based were incorrect and that they therefore have to be corrected in line with the relevant accounting standards and, based on the corrected audited consolidated financial statements and the applicable remuneration system, a lower or no payout of variable remuneration would have been due.

Furthermore, the payout of variable remuneration components can be restricted or cancelled in full if the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – the Federal Financial Supervisory Authority) has issued a non-appealable or immediately enforceable order prohibiting or restricting the payout (for example if the Company’s own funds are lower, or in danger of becoming lower, than the Solvency 2 capital requirement), or if this is required under Article 275(2) letter e of Commission Delegated Regulation (EU) 2015/35 of 10 October 2014.

No clawback or reduction was made in financial year 2024; nor was the payout of variable remuneration components restricted or cancelled.

Termination benefits

Pension scheme

The Chairman of the Board of Management, Mr Leue, has been granted a pension commitment in the form of a life-long retirement pension, which can be paid out in part as a one-off retirement lump sum upon request, as well as a surviving dependants' pension. The size of his post-retirement benefits are calculated using a length-of-service-based percentage of between 20% and a maximum of 50% of his pensionable income (the last monthly salary that he received). If he draws his pension before turning 65, 50% of any other income received is offset against the retirement pension. Current pension payments are adjusted annually in line with the changes in Germany's consumer price index.

The other members of the Board of Management have been granted defined contribution commitments to pay retirement, surviving dependants and occupational disability pensions. The retirement pension can be paid out as a one-time capital payment on application by the member of the Board of Management. The retirement benefits will be granted by HDI Unterstützungskasse e.V. The company takes out appropriate reinsurance policies to finance the benefits. The size of the post-retirement benefits corresponds to the benefits under the reinsurance policies, based on the annual financing contributions made by the Company in the amount of 25% of the members' pensionable income (annual fixed remuneration). Current pensions are increased annually by at least 1% of their last gross amount.

The following table shows the accrued pension rights under IAS 19 for the current members of the Board of Management.

ACCRUED PENSION RIGHTS

EUR thousand

	IAS 19			
	Service cost [1]		Present value of the pension obligation	
Board of Management member	**2024**	2023	**2024**	2023
Torsten Leue	742	646	9,422	9,302
Jean-Jacques Henchoz [2]	143	118	785	618
Dr Wilm Langenbach	123	84	382	277
Dr Edgar Puls	113	91	1,106	1,057
Caroline Schlienkamp	100	48	331	247
Jens Warkentin	103	43	330	251
Dr Jan Wicke	139	142	1,404	1,299

[1] The figure shown represents the service cost recognised in the reporting period for pensions and other post-retirement benefits.
[2] This relates to the personnel expenses recognised by Hannover Rück SE.

Variable remuneration in the event of the premature termination of contracts of service

Short-term incentive (STI)
If the contract of service with a member of the Board of Management ends in the course of a financial year for a reason other than cause as defined by section 626(1) of the German Civil Code (BGB) for which the member of the Board of Management is responsible, the plan participant is entitled to a pro rata STI for that financial year. If the contract of service ends before the end of the financial year as a result of extraordinary termination by the Company for cause as defined by section 626(1) BGB for which the member of the Board of Management is responsible, the claim to the STI for that financial year shall lapse without substitution or compensation.

Long-term incentive (LTI)
If the contract of service or Board of Management appointment ends before the end of a performance period for a reason other than those stated below and prior to the end of the financial year, the plan participant is entitled to a pro rata LTI for that financial year. In this case, the variable remuneration components are determined and paid out in the normal manner as set out in the terms and conditions for the LTI plan. The premature payout of the LTI before the end of the performance period is not provided for in such cases.

If the contract of service or Board of Management appointment ends in the course of a financial year due to them stepping down or resigning (exception: resignation or termination by the member of the Board of Management for cause), if the member of the Board of Management refuses to accept an extension offering at least equal contractual conditions (exception: the member of the Board of Management has turned 60 and has been a member of the Board of Management for two terms of office), if the Company extraordinarily terminates the member of the Board of Management's contract of service without notice for cause or if the member of the Board of Management's appointment is terminated for cause within the meaning of section 84(4) of the German Stock Corporation Act (AktG) (exception: a vote of no confidence by the General Meeting), all conditionally granted Talanx performance shares shall lapse without substitution or compensation.

Severance pay

The service contracts of the members of the Board of Management have not previously included any provisions regarding claims to severance pay. With effect from 1 January 2025, the service contracts include a provision regarding a severance cap under which any severance payments may not exceed the value of two years' total remuneration or the remuneration for the remaining term of the contract, whichever is lower. Similarly, the service contracts of the members of the Board of Management do not provide for any entitlements in the event of premature termination of their service on the Board as a result of a change of control.

Remuneration awarded and due in financial year 2024

Current members of the Board of Management

The following table shows the remuneration awarded and due to the individual members of the Board of Management in accordance with section 162 of the German Stock Corporation Act (AktG). The remuneration disclosed as "remuneration awarded" is the remuneration for which the relevant work had been performed in full by the reporting date. "Remuneration due" is remuneration that is due but has not yet actually been paid. The amounts disclosed for financial year 2024 comprise the following:

- The fixed remuneration paid out in financial year 2024
- The fringe benefits accrued in financial year 2024
- The STI determined for financial year 2024, to be paid out in 2025
- The amount added to the bonus bank for financial year 2020 that was paid out in financial year 2024
- The share awards granted for financial year 2019, which were paid out in financial year 2024

Furthermore, the pension expense for the pension plan commitments for financial year 2024 is disclosed in the table as part of the Board of Management remuneration.

In addition, the table shows the relative shares of the overall remuneration awarded and due that are accounted for by the individual remuneration components.

REMUNERATION AWARDED AND DUE

	Torsten Leue (Chairman of the Board of Management) Chairman since 8 May 2018, member since 1 September 2010			Jean-Jacques Henchoz[6] Head of Division since 1 April 2019			Dr Wilm Langenbach Head of Division since 1 December 2020		
EUR thousand	2024		2023	2024		2023	2024		2023
Base remuneration	1,156		1,020	1,048		960	696		540
Fringe benefits	6		8	22		12	6		6
Other	—		—	—		—	—		—
Fixed remuneration components	**1,162**	**32%**	**1,028**	**1,070**	**34%**	**972**	**702**	**47%**	**546**
One-year variable remuneration (2024 STI)[1,2]	1,320		1,224	1,222		1,077	795		648
Multi-year variable remuneration	1,141		646	850		252	—		—
2020 bonus bank (3 years)[3]	301		318	333		252	—		—
2019 share awards (4 years)[4]	840		328	517		—	—		—
Variable remuneration components	**2,460**	**68%**	**1,870**	**2,073**	**66%**	**1,329**	**795**	**53%**	**648**
Total remuneration (as defined by section 162 of the AktG)	**3,622**	**100%**	**2,898**	**3,142**	**100%**	**2,301**	**1,497**	**100%**	**1,194**
Pension expense	742		646	143		118	123		84

1 Of which Supervisory Board remuneration by Group companies: Mr Leue EUR 363 (363) thousand, Dr Wicke EUR 60 (60) thousand, Mr Warkentin 14 (0) thousand.
2 The amounts disclosed for financial year 2023 comprise payments from the 2023 one-year variable remuneration.
3 The amounts disclosed for financial year 2023 comprise payments from the 2019 bonus bank.
4 The amounts disclosed for financial year 2023 comprise payments from the 2018 share awards.
5 Including remuneration awarded and due from Hannover Rück SE in the amount of EUR 2,688 (2,006) thousand, of which EUR 920 thousand was base remuneration, EUR 1,746 thousand variable remuneration and EUR 22 thousand fringe benefits.

	Dr Edgar Puls Head of Division since 9 May 2019			Caroline Schlienkamp Member of the Board of Management since 1 May 2022			Jens Warkentin Head of Division since 1 January 2023			Dr Jan Wicke (Chief Financial Officer) Chief Financial Officer since 1 September 2020, member since 1 May 2014		
	2024		2023	2024		2023	2024		2023	2024		2023
	557		512	588		400	588		400	704		646
	4		6	12		12	5		11	6		6
	—		—	—		—				—		—
	561	**38%**	**518**	**600**	**49%**	**412**	**593**	**48%**	**411**	**710**	**32%**	**652**
	636		572	636		435	654		435	761		702
	295		69	—		—	—		—	754		471
	112		69	—		—	—		—	198		210
	183		—	—		—	—		—	556		261
	930	**62%**	**641**	**636**	**51%**	**435**	**654**	**52%**	**435**	**1,515**	**68%**	**1,173**
	1,491	**100%**	**1,159**	**1,236**	**100%**	**847**	**1,247**	**100%**	**846**	**2,225**	**100%**	**1,825**
	113		91	100		48	103		43	139	—	142

Former members of the Board of Management

The following table shows the remuneration awarded and due to the former members of Talanx's Board of Management in accordance with section 162 of the German Stock Corporation Act (AktG) in financial year 2024:

REMUNERATION AWARDED AND DUE

	Sven Fokkema (until 31 December 2020)			Herbert Haas (until 8 May 2018)			Dr Christopher Lohmann (until 31 December 2022)			Dr Immo Querner (until 31 August 2020)			Ulrich Wallin (until 9 May 2019)		
EUR thousand	2024		2023	2024		2023	2024		2023	2024		2023	2024		2023
Base remuneration	—	—	—	—	—	—	—		—	—	—	—	—	—	—
One-year variable remuneration (2024 STI)	—		—	—		—	—		—	—		—	—		—
Multi-year variable remuneration	477		258	—		131	71		—	624		401	239		578
2020 bonus bank (3 years)	119		136	—		—	71		—	175		170	—		115
2019 share awards (4 years)	358		122	—		131	—		—	449		231	239		463
Variable remuneration	**477**	**100%**	**258**	**—**	**—**	**131**	**71**	**100%**	**—**	**624**	**98%**	**401**	**239**	**43%**	**578**
Pension payments	—	—	—	597	100%	596	—		—	15	2%	217	314	57%	313
Total remuneration (as defined by section 162 of the AktG)	**477**	**100%**	**258**	**597**	**100%**	**727**	**71**	**100%**	**—**	**639**	**100%**	**618**	**553**	**100%**	**891**

Total remuneration paid to former members of the Board of Management and their surviving dependants, for whom there were 10 (10) pension liabilities, came to EUR 2 (2) million in the year under review. A total of EUR 35 (36) million was set aside for pension liabilities.

Supervisory Board remuneration

Principles governing Supervisory Board remuneration

The remuneration for Supervisory Board members resolved by the Annual General Meeting is set out in Article 12 of the Company's Articles of Association. The remuneration system for the Supervisory Board was approved by the Annual General Meeting of Talanx on 6 May 2021 with 99.9% of the votes in favour and has been in force since 1 January 2021.

Members of the Supervisory Board receive purely fixed remuneration so as to reinforce the Supervisory Board's independence and ensure it is not subject to influence when performing its advisory and oversight functions. The fixed remuneration for all members of the Supervisory Board is EUR 100,000. In line with the recommendations set out in the German Corporate Governance Code, the Chairman of the Supervisory Board and his or her Deputies, and the chairs and members of committees, receive additional remuneration to appropriately reflect the greater time commitment involved. The Chairman of the Supervisory Board receives two-and-a-half times the base remuneration of a simple member of the Supervisory Board, while each of his or her deputies receives one-and-a-half times the base remuneration. The members of the Finance and Audit Committee and of the Personnel Committee receive additional remuneration of EUR 25,000 per annum each. The chairs of these committees receive double this amount. The attendance fee is EUR 1,000 per meeting and is paid only once where multiple meetings are held on the same day. Members are also entitled to receive the attendance fee if they participate in meetings by phone or via video conferences. All attendance fees are paid on the date of the meeting. Additionally, Supervisory Board members are included in D&O insurance for governing body members and certain Talanx Group employees that is taken out in an appropriate amount and paid for by the Company in the Company's interests. Furthermore, the Company reimburses all members of the Supervisory Board for any expenses incurred by them.

Remuneration awarded and due to Supervisory Board members

The following table shows the remuneration awarded and due to Supervisory Board members in financial year 2024, broken down by the individual remuneration components. In addition, the table shows the relative shares of the total remuneration accounted for by the remuneration components.

REMUNERATION AWARDED AND DUE TO THE SUPERVISORY BOARD

EUR thousand	Remuneration for Supervisory Board activity			Remuneration for work on committees			Attendance allowance			Supervisory Board payments by Group companies			Total remuneration	
	2024		2023	2024		2023	2024		2023	2024		2023	2024	2023
Herbert K. Haas	250	50%	250	75	15%	75	11	2%	13	163	33%	162	**499**	500
Jutta Hammer	133	75%	100	25	14%	25	9	5%	11	10	6%	5	**177**	141
Ralf Rieger (until 7 May 2024)	53	83%	150	9	14%	25	2	3%	11	—	—	—	**64**	186
Angela Titzrath	150	71%	133	50	24%	33	11	5%	9	—	—	—	**211**	175
Natalie Bani Ardalan (since 7 May 2024)	65	57%	—	16	14%	—	7	6%	—	27	23%	—	**115**	—
Benita Bierstedt (until 7 May 2024)	35	63%	100	—	—	—	1	2%	6	20	36%	40	**56**	146
Rainer-Karl Bock-Wehr	100	95%	100	—	—	—	5	5%	6	—	—	—	**105**	106
Dr Joachim Brenk (since 4 May 2023)	100	85%	66	—	—	—	5	4%	5	12	10%	11	**117**	82
Sebastian L. Gascard	100	82%	100	16	13%	—	6	5%	6	—	—	—	**122**	106
Dr Christof Günther (since 4 May 2023)	100	75%	66	25	19%	16	9	7%	9	—	—	—	**134**	91
Dr Hermann Jung	100	63%	100	50	31%	44	9	6%	11	—	—	—	**159**	155
Dirk Lohmann	100	95%	100	—	—	—	5	5%	6	—	—	—	**105**	106
Christoph Meister	100	95%	100	—	—	—	5	5%	6	—	—	—	**105**	106
Jutta Mück (until 7 May 2024)	35	76%	100	9	20%	25	2	4%	9	—	—	—	**46**	134
Dr Sandra Reich (since 4 May 2023)	100	95%	66	—	—	—	5	5%	5	—	—	—	**105**	71
Matthias Rickel (since 7 May 2024)	65	94%	—	—	—	—	4	6%	—	—	—	—	**69**	—
Prof. Dr Jens Schubert	100	87%	100	—	—	—	5	4%	6	10	9%	10	**115**	116
Patrick Seidel (since 7 May 2024)	65	60%	—	—	—	—	4	4%	—	40	37%	—	**109**	—
Norbert Steiner	100	76%	100	25	19%	25	7	5%	8	—	—	—	**132**	133

Comparison of changes in remuneration and earnings

In line with the requirements of section 162(1) sentence 2 no. 2 of the AktG, the following table compares the changes in the remuneration paid to members of the Board of Management, members of the Supervisory Board and employees, plus changes in the Company's earnings.

The remuneration shown for the Board of Management and Supervisory Board is the awarded and due remuneration in accordance with section 162 of the AktG.

The Talanx Group's workforce in Germany is used as the basis for the average employee remuneration shown. The employee remuneration shown comprises personnel expenses (not including the expenses for Board of Management remuneration) for wages and salaries, fringe benefits, employer contributions to social security funds, variable remuneration components attributable to the financial year and, in the case of share-based remuneration, the amounts paid in the financial year.

COMPARATIVE INFORMATION ON CHANGES IN THE REMUNERATION

EUR thousand	2024	2023	Change 2024 v. 2023	Change 2023 v. 2022	Change 2022 v. 2021	Change 2021 v. 2020
Current members of the Board of Management						
Torsten Leue	3,622	2,898	+25.0%	+16.5%	+6.4%	+5.5%
Jean-Jacques Henchoz	3,142	2,301	+36.6%	–19.1%	+50.9%	–1.3%
Dr Wilm Langenbach	1,497	1,194	+25.3%	+11.0%	+8.9%	+767.0%
Dr Edgar Puls	1,491	1,159	+28.6%	+13.3%	+5.7%	+37.5%
Caroline Schlienkamp	1,236	847	+45.9%	+60.7%	—	—
Jens Warkentin	1,247	846	+47.4%	—	—	—
Dr Jan Wicke	2,225	1,825	+21.9%	+9.4%	+5.6%	–3.9%
Former members of the Board of Management						
Sven Fokkema (until 31 December 2020)	477	258	+85.0%	+203.5%	–78.8%	–51.6%
Herbert Haas (until 8 May 2018)	597	727	–17.9%	–23.4%	–13.1%	+1.9%
Dr Christopher Lohmann (until 31 December 2022)	71	—	—	–100.0%	+130.3%	+36.9%
Dr Immo Querner (until 31 August 2020)	639	618	+3.4%	–3.1%	–39.5%	–37.0%
Ulrich Wallin (until 9 May 2019)	553	891	–37.9%	–11.2%	–0.9%	–2.2%
Current members of the Supervisory Board						
Herbert K. Haas	499	500	–0.2%	–2.0%	–7.4%	+13.6%
Jutta Hammer	177	141	+25.5%	+3.7%	–5.6%	+4.3%
Angela Titzrath	211	175	+20.6%	+66.7%	—	+6.1%
Natalie Bani Ardalan (since 7 May 2024)	115	—	—			
Rainer-Karl Bock-Wehr	105	106	–0.9%	+1.0%	—	–2.8%
Dr Joachim Brenk (since 4 May 2023)	117	82	+42.7%	—	—	—
Sebastian L. Gascard	122	106	+15.1%	–0.9%	–10.1%	+5.3%
Dr Christof Günther (since 4 May 2023)	134	91	+47.3%	—	—	—
Dr Hermann Jung	159	155	+2.6%	+1.3%	+14.2%	+3.1%
Dirk Lohmann	105	106	–0.9%	+1.0%	—	+5.0%
Christoph Meister	105	106	–0.9%	+1.0%	—	+5.0%
Prof. Dr Jens Schubert	115	116	–0.9%	+9.4%	+1.0%	+5.0%
Dr Sandra Reich (since 4 May 2023)	105	71	+47.9%	—	—	—
Matthias Rickel (since 7 May 2024)	69	—	—	—		
Patrick Seidel (since 7 May 2024)	109	—	—	—		
Norbert Steiner	132	133	–0.8%	—	–0.7%	+3.9%
Former members of the Supervisory Board						
Antonia Aschendorf (until 4 May 2023)	30	65	–53.8%	–49.6%	–4.4%	+3.8%
Benita Bierstedt (until 7 May 2024)	56	146	–61.6%	+0.7%	—	+4.3%
Dr Thomas Lindner (until 4 May 2023)	—	72	—	–65.9%	–0.9%	+2.9%
Jutta Mück (until 7 May 2024)	46	134	–65.7%	–0.7%	–8.8%	+4.2%
Ralf Rieger (until 7 May 2024)	64	186	–65.6%	+0.5%	–2.1%	+3.3%
Dr Erhard Schipporeit (until 4 May 2023)	34	141	–75.9%	–38.7%	–0.4%	+14.4%
Employees in Germany						
Average	102	99	+3.2%	+5.3%	+5.6%	+3.5%

EUR million	2024	2023	Change 2024 v. 2023	Change 2023 v. 2022	Change 2022 v. 2021	Change 2021 v. 2020[1]
Earnings						
Talanx AG net income (HGB)	840	743	+13.0%	+28.3%	+17.0%	–10.5%
Group net income	1,977	1,581	+25.0%	+123.8%	+15.9%	+50.6%

Auditor’s Report

To Talanx AG, Hanover

We have audited the remuneration report of Talanx AG, Hannover, for the financial year from January 1 to December 31, 2024, including the related disclosures, which was prepared to comply with § 162 AktG [Aktiengesetz: German Stock Corporation Act].

Responsibilities of the Executive Directors and the Supervisory Board

The executive directors and the supervisory board of Talanx AG are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts including the related disclosures stated in the remuneration report. The procedures selected depend on the auditor’s judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report including the related disclosures. The objective of this is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive directors and the supervisory board, as well as evaluating the overall presentation of remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, based on the findings of our audit, the remuneration report for the financial year from January 1 to December 31, 2024, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

Reference to an Other Matter – Formal Audit of the Remuneration Report according to § 162 AktG

The audit of the content of the remuneration report described in this auditor’s report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

Restriction on use

We issue this auditor’s report on the basis of the engagement agreed with Talanx AG. The audit has been performed only for purposes of the company and the auditor’s report is solely intended to inform the company as to the results of the audit. Our responsibility for the audit and for our auditor’s report is only towards the company in accordance with this engagement. The auditor’s report is not intended for any third parties to base any (financial) decisions thereon. We do not assume any responsibility, duty of care or liability towards third parties; no third parties are included in the scope of protection of the underlying engagement. § 334 BGB [BürgerlichesGesetzbuch: German Civil Code], according to which objections arising from a contract may also be raised against third parties, is not waived.

Hannover, 17 March 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Martin Eibl	ppa. Philipp Rütter
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Combined management report

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Fundamental information about the Group

The Talanx Group

Business model

The Talanx Group is a multi-brand provider in the insurance and financial services sector. At the end of 2024, it employed 29,976 people worldwide. The Group parent is the listed company Talanx AG, which is domiciled in Hannover. Talanx AG's majority shareholder (76.74%) is HDI V. a. G., a mutual insurance undertaking formed more than 120 years ago. The free float including employee shares amounted to 23.26%.

Group companies write business in the classes of insurance specified in the Regulation on Reporting by Insurance Undertakings (BerVersV); in some cases the business is directly written, while in others it takes the form of reinsurance with a different geographical focus (see the graphic).

CLASSES OF INSURANCE WRITTEN BY THE GROUP

		TALANX GROUP		
LIFE	CASUALTY	LIABILITY	MOTOR	AVIATION[1]
LEGAL PROTECTION	FIRE	BURGLARY AND THEFT	TAP WATER	PLATE GLASS
STORM DAMAGE	COMPREHENSIVE HOUSE-HOLDERS	COMPREHENSIVE HOME-OWNERS	HAIL	LIVESTOCK
ENGINEERING	OMNIUM	MARINE	CREDIT AND SURETY[2]	EXTENDED COVERAGE[3]
BUSINESS INTERRUPTION	TRAVEL ASSISTANCE	AVIATION AND SPACE LIABILITY	OTHER PROPERTY	OTHER NON-LIFE

[1] Including space insurance.
[2] Reinsurance only.
[3] For fire and fire business interruption insurance (extended coverage insurance).

Talanx has its own companies or branch offices throughout the world and does business with primary insurance and reinsurance customers in more than 175 countries in all. Its retail business is focussed on Germany and, at an international level, primarily on the growth regions of Central and Eastern Europe (including Türkiye) and Latin America.

The Talanx Group's divisions operate their core processes independently. The main core processes in the Corporate & Specialty Division, which has an international focus, and in the Reinsurance segments are product development, sales and underwriting, including the relevant technical supervision. The core processes in the Retail segments comprise product development, rate setting, sales, product management and product marketing. The Group Operations segment is responsible for asset management, corporate development, risk management, human resources, other services and intragroup reinsurance of the primary insurance segments.

Information on key intangible resources

Intangible resources such as employees, customer capital/customer satisfaction as well as software and technologies play a key role and are of considerable importance to Talanx AG. These resources represent fundamental prerequisites for our business model. They are key value drivers and crucial to the Company's competitiveness and its long-term and above-average success in the industry.

Employees: As a global multi-brand provider in the insurance and financial services industry, motivated and well-trained employees are essential to Talanx AG's ability to operate successfully and effectively over the long term. In its specialised and customer-oriented fields of activity, professional expertise and effective collaboration are essential. That is why the satisfaction and well-being of its employees are of central importance to the Group. The key issues here include improving working conditions, enabling co-determination and promoting equal opportunities. Appropriate wages and advanced training opportunities also foster a positive working environment and help both individuals and the Company to achieve their goals. To better understand the needs of the workforce, the Group conducts internal employee surveys worldwide. The insights gained from these efforts are incorporated into the country-specific HR strategies and help to ensure their continuous improvement.

Customer capital/customer satisfaction: As an insurer, the Talanx Group depends on the trust of its customers. Trust is the basis for purchasing insurance solutions and therefore for doing business with our Group. Trust is created by always giving due consideration to the interests and rights of customers in the value chain.

Insurance solutions that are tailored to meet customers' needs, fair and appropriate advice and clear explanations of the recommended insurance solutions are designed to ensure that this is the case and are a prerequisite for achieving a high level of customer satisfaction. In addition, the Group has further measures in place to boost customer trust and satisfaction. For example, a code of conduct serves as a binding guideline for all employees, defining the fundamental legal and ethical requirements governing interactions with customers. Other measures include specific product approval procedures, occasional internal customer surveys at contact points, and external evaluation tools and studies.

Legal and regulatory environment

Insurance companies (primary insurers and reinsurance companies) and asset management companies are subject to comprehensive legal and financial supervision by supervisory authorities around the world. In the Federal Republic of Germany, this is the responsibility of the Federal Financial Supervisory Authority (BaFin). In addition, business activities are subject to extensive legal requirements. In recent years, the regulatory framework has become more stringent, which has led to increasing complexity. This trend continued in 2024.

The sale of insurance products is subject to extensive legal requirements. When cooperating with intermediaries, primary insurers must comply with the statutory requirements as well as the requirements of BaFin Circular 11/2018 Insurance Distributions governing cooperation with insurance intermediaries as well as regarding risk management relating to distribution. Product oversight and the governance requirements for insurance products are specified, among other things, by Delegated Regulation (EU) 2017/2358 of the European Commission. For the area of residual debt insurance, the Crowdfunding Accompanying Act (Schwarmfinanzierungs-Begleitgesetz) legally established a commission cap that came into force on 1 July 2022. In addition, Germany's Financing for the Future Act (ZuFinG), which came into force on 1 January 2025, introduced a seven-day waiting period for the conclusion of residual debt insurance policies for general consumer credit agreements. Furthermore, Germany's Improving Accessibility Act (Barrierefreiheitsstärkungsgesetz) and the corresponding ordinance will come into force on 28 June 2025, according to which certain products and services for consumers must be rendered accessible and accompanied by accessibility information. The services specified in the above-mentioned act include e-commerce services, which means that the online sale of insurance products must comply with the accessibility requirements that will then apply.

Overarching aspects of business organisation ("system of governance") as well as key terms such as "proportionality", "management boards" and "supervisory boards" are explained from the perspective of the supervisory authority in BaFin Circular 2/2017 (VA) regarding the regulatory interpretation of the Minimum Requirements under Supervisory Law on the System of Governance of Insurance Undertakings (MaGo). Irrespective of the fact that this document is not directly legally binding, the HDI Group will also take the MaGo into account when structuring its business organisation, particularly in the areas of general governance, key functions, the risk management system, equity requirements, the internal control system, outsourcing and emergency management. The BaFin has published a revised version of the MaGo for public consultation. The changes are not expected to have a significant impact on the Group.

On the basis of the German Money Laundering Act (Geldwäschegesetz – GwG), HDI V. a. G., as the "parent company of the Group", must ensure that all Group companies subject to anti-money laundering requirements implement defined minimum standards. The Group Money Laundering function rolled out a Group-wide risk analysis in all divisions driven by events or at least annually in the fourth quarter of the year based on the requirements of the German Money Laundering Act (GwG) and documents the risk-based measures taken by Group companies obligated to prevent money laundering. In addition, Group-wide reporting on a quarterly basis ensures the exchange of information within the Group. The Group's risk of being misused for money laundering and terrorist financing is categorised as low overall.

In recent years, digitalisation has become increasingly important. This is accompanied by a transition to digital, data-based business models; the resulting legal questions and challenges, with a focus on IT security, are also playing an increasingly important role for the companies of the HDI Group. In Circular 10/2018 regarding Supervisory Requirements for IT in Insurance Undertakings (VAIT), the BaFin provided instructions for interpreting the provisions governing business organisation in the Insurance Supervision Act (VAG) insofar as they relate to the companies' technical/organisational provisioning. The same applies with respect to Circular 11/2019 (WA) regarding Supervisory Requirements for IT in German Asset Managers (KAIT). The Authority also published guidance on outsourcing to cloud providers. Furthermore, the EU issued the Regulation on Artificial Intelligence (Regulation (EU) 2024/1689) in 2024, which also applies to the insurance industry and will have a tangible impact on the Talanx Group.

The EU's Digital Operational Resilience Act (DORA) has introduced new requirements in this regard, which insurance companies, among many others, will have to meet beginning in January 2025. This is intended to strengthen the European financial market against cyber risks as well as information and communication technology incidents.

The Talanx Group processes substantial volumes of personal data, for example during application and contract management and when making payments. In order to ensure compliance with data protection requirements, such as the EU General Data Protection Regulation (GDPR) and the German Federal Data Protection Act (BDSG), the data protection management system is designed to observe and monitor the requirements. Employees are sensitised to the careful handling of data (via dedicated training seminars) and are bound in writing to comply with data protection requirements. As regards data protection requirements that are independent of specific processes, such as the commissioning of service providers, centralised procedures must be observed. The same applies to the data protection rights of customers, shareholders and employees.

Adherence to applicable law is a prerequisite for the long-term business success of the companies that make up the Talanx Group. The Group pays close attention to adapting its business and products to the applicable legal, regulatory and taxation frameworks. The mechanisms installed for this purpose ensure that we can promptly identify and assess future legal developments and their impact on our business activities, so that we can make the necessary adjustments in a timely manner.

As securities issuers, Talanx AG and other Group companies are subject to capital market supervision in Germany and Luxembourg, among other countries.

Group structure

The Group's business is divided into Insurance – which has five reportable segments – and a sixth segment, Group Operations.

In the primary insurance sector, we operate through three divisions: **Corporate & Specialty, Retail International** and **Retail Germany.** The two segments Retail Germany – Property/Casualty and Retail Germany – Life were combined into a single Retail Germany segment for the purpose of standardised control based on the resolution of the Board of Management dated 7 October 2024. A separate member of the Board of Management is responsible for each of the divisions.

The Corporate & Specialty Division operates worldwide; it is largely independent of third companies and is capable of leading international consortia. The Retail International Division focuses on the strategic core markets of Latin America and Central and Eastern Europe (including Türkiye). The Retail Germany Division encompasses the companies that offer insurance products to private clients and small and medium-sized enterprises in Germany.

Our **Reinsurance** operations comprise the Property/Casualty Reinsurance and Life/Health Reinsurance segments, which are operated by Hannover Rück SE. The target markets for Property/Casualty Reinsurance are Europe, the Middle East and Africa, America as well as Asia-Pacific; in addition, the segment runs a number of global reinsurance lines worldwide. Life/Health Reinsurance is divided into the financial solutions and risk solutions units, which comprises longevity solutions, and mortality and morbidity insurance.

The **Group Operations** segment includes Talanx AG, which primarily performs strategic tasks and acts as the Group's internal reinsurer. In addition, the segment includes HDI AG as the employer company for the German Primary Insurance Group and the reinsurance broker Talanx Reinsurance Broker GmbH, Ampega Asset Management GmbH and Ampega Investment GmbH; the Ampega companies primarily manage the Group's investments and offer financial and other services.

GROUP STRUCTURE

TALANX AG

GESCHÄFTSBEREICH CORPORATE & SPECIALTY
CORPORATE & SPECIALTY DIVISION

- HDI Global SE
- HDI Global Specialty SE
- HDI Versicherung AG (Austria)
- HDI Global Seguros S. A. (Brazil)
- HDI Global Seguros S. A. (Mexico)
- HDI Global SA Ltd. (South Africa)
- HDI Global Insurance Company (USA)
- HDI Global Network AG
- HDI Reinsurance (Ireland) SE

GESCHÄFTSBEREICH PRIVAT- UND FIRMENVERSICHERUNG INTERNATIONAL
RETAIL INTERNATIONAL DIVISION

- HDI International AG
- HDI Seguros S. A. (Brazil)
- Yelum Seguros S. A. (Brazil)
- HDI Seguros S. A. (Chile)
- HDI Seguros S. A. (Colombia)
- HDI Seguros S. A. de C. V. (Mexico)
- TUiR WARTA S. A. (Poland)
- TU na Życie WARTA S. A. (Poland)
- TU na Życie Europa S. A. (Poland)
- TU Europa S. A. (Poland)
- HDI Assicurazioni S. p. A. (Italy)
- HDI Sigorta A. Ş. (Türkiye)

GESCHÄFTSBEREICH PRIVAT- UND FIRMENVERSICHERUNG DEUTSCHLAND
RETAIL GERMANY DIVISION

- HDI Deutschland AG
- HDI Lebensversicherung AG
- HDI Pensionsfonds AG
- HDI Pensionskasse AG
- HDI Pensionsmanagement AG
- HDI Versicherung AG
- Lifestyle Protection Lebensversicherung AG
- Lifestyle Protection AG
- LPV Lebensversicherung AG
- LPV Versicherung AG
- neue leben Lebensversicherung AG
- neue leben Unfallversicherung AG
- TARGO Lebensversicherung AG
- TARGO Versicherung AG

GESCHÄFTSBEREICH RÜCKVERSICHERUNG
REINSURANCE DIVISION

SCHADEN-RÜCK-VERSICHERUNG – PROPERTY/CASUALTY REINSURANCE

PERSONEN-RÜCK-VERSICHERUNG – LIFE/HEALTH REINSURANCE

- Hannover Rück SE
- E+S Rückversicherung AG
- Argenta Holdings Limited
- Hannover ReTakaful B. S. C. (c) (Bahrain)
- Hannover Re (Bermuda) Ltd.
- Hannover Life Re of Australasia Ltd.
- Hannover Re (Ireland) DAC
- Hannover Re South Africa Limited
- Hannover Life Reassurance Company of America

KONZERNFUNKTIONEN
GROUP OPERATIONS

- HDI AG
- Ampega Asset Management GmbH
- Ampega Investment GmbH
- Talanx Reinsurance Broker GmbH

Nur die wesentlichen Beteiligungen
Main participations only

Stand/As at: 31.12.2024

Strategy

The Talanx Group is active in primary insurance and reinsurance around the world in both the property/casualty and life insurance businesses. In the more than 120 years of our history, we have developed from a pure-play liability insurer for industry into a leading global insurance group – with a focus on the areas of Corporate & Specialty, Retail, and Reinsurance. We attach particular importance to close collaboration with our industrial partners and retail clients, many of whom have worked with us for many years, in order to provide them with the best possible service. The Talanx Group optimises the relationship between insurance and reinsurance as an integral component of our business model with the aim of consistently enhancing our opportunity/risk profile and improving capital efficiency. The composition of the Group's portfolio ensures that we have sufficient independent risk capacities in different market phases to support our customers reliably and over the long term and to tap into promising markets. This diversification approach bolsters our independence, minimises our exposure to risk and enables us to sustainably grow the Group's success to the benefit of clients, investors and employees.

The Group parent is Talanx AG, a financial and management holding company. It ensures that the Group achieves its primary objective – sustainable, profitable growth and long-term value creation. This is also the guiding principle for all divisional strategies, which are based on the Group strategy. The Talanx Group's organisation centralises Group management and service functions while delegating responsibility for earnings to the divisions. This organisational structure, which offers the individual divisions a high level of operational freedom and responsibility for earnings, is key to the Talanx Group's success as it enables the individual divisions to take maximum advantage of their growth and profit opportunities.

While the Talanx brand is oriented towards the capital market, the high level of national and international product expertise, forward-looking underwriting policy and strong distribution resources of our operational divisions are reflected in a multi-brand strategy. This enables us to align ourselves optimally to the needs of different client groups, regions and cooperation partners. It also ensures that new companies and/or business sectors can be efficiently integrated into the Group. This structure also creates a good basis for cooperation, in particular with a wide range of partners and business models.

The Group as a whole aims for a return on equity (in accordance with IFRS) of more than 12% by 2027 in order to ensure long-term value creation. Our objective is to increase Group net income by 30% by 2027 compared to 2024, underpinned by our focused divisional strategies and strategic growth initiatives. We want to steadily increase the dividend per share to EUR 4.00 by 2027 (+50% compared to 2024). As strategic subsidiary conditions, we have also set ourselves the goal of achieving limited market risk (≤ 50%) and a high regulatory solvency ratio (150%–200%).

Our strengths, and by that measure the basis of our success, include the Group's distinctive entrepreneurial corporate culture with clear local responsibilities, the focus on B2B business – the source of over 80% of our insurance revenue – and strong regional diversification in terms of business and product mix.

Ongoing capital management optimisation is also an integral part of the 2025 strategy. The main focus here is on boosting profit and loss transfers from primary insurance in order to maximise financial flexibility within the Group, provide solid capital resources at all times and being able to pay dividends in the long term. Capital for expanding business is used only where the strategic and profitability criteria have been met. Business decisions are managed in such a way that capital and liquidity are transferred to the holding company whenever possible. For this purpose, both the Group capital structure and local capital resources of our subsidiaries are optimised on an ongoing basis. In addition, we pool the reinsurance requirements for primary insurance on an intra-group basis at the holding company in order to take advantage of capital and diversification effects throughout the Group.

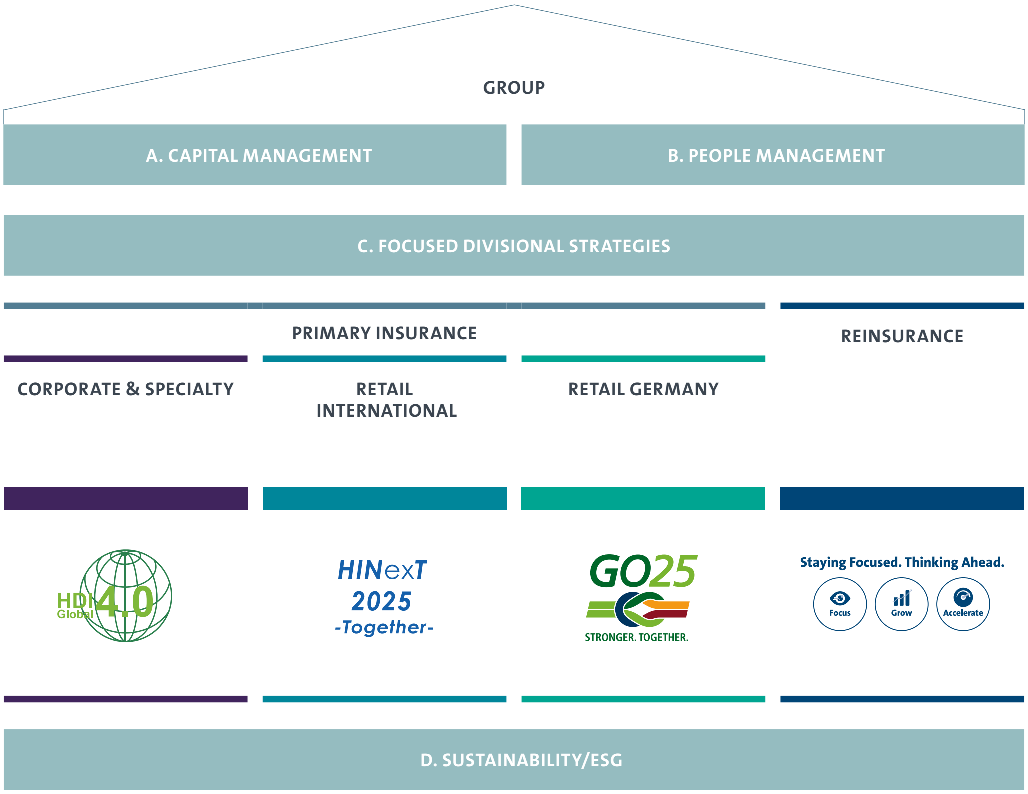
People management is another key focus of our strategy. With our people strategy, we think about recruiting holistically and in terms of target groups ("hire"). We offer our employees targeted, attractive development pathways ("develop"). We inspire our employees to actively work to develop our culture and encourage entrepreneurship ("inspire"). To do so, we provide the freedom and scope necessary and bring our culture to life ("xperience"). One particular focus area here is diversity, a way of drawing on our differences as a strength for the Group's long-term development. Further details on our people management strategy are provided in the sustainability statement section.

The strategies of the individual divisions were further refined and focussed. The HDI Global 4.0 strategy positions us as a leading partner to international insurance programmes and service provider for captives in the Corporate & Specialty Division. Our profitability-driven underwriting policy is combined with an efficient cost structure. Specialty insurance remains a key growth area. In the Corporate & Specialty Division, we believe there is particular growth potential in North America, Europe, Australia and selected emerging markets. In the Retail International Division, we aim to continue our strong growth through the "HINexT 2025" strategy while also further advancing diversification. Our goal is to position ourselves as a leader in the five defined core markets in Latin America and in central and Eastern Europe, i.e. to be one of the top five providers in property/casualty insurance. This is to be achieved by means of profitable organic and non-organic growth. The Retail Germany Division is continuing to focus on its "Go25" strategy. As well as substantial growth in business with small and medium-sized enterprises (SMEs), its main aim here is to establish additional cooperation and organic growth in the area of banking partnerships. The Reinsurance Division is focusing on achieving industry-leading performance in terms of profitability and profit growth with its strategy "Staying Focused. Thinking Ahead." The key elements are (1) a focus on reinsurance with a lean and capital-efficient business model, (2) ensuring profitable growth and (3) accelerating operational efficiency, automation and data utilisation, as well as firmly establishing diversity, equality and inclusion in the division's operations. Furthermore, as a long-term majority shareholder in Hannover Rück SE, we support the goal of further strengthening that company's position as a global player.

As an international insurance group and long-term investor, the Talanx Group has long been committed to responsible corporate governance designed to ensure sustainable value creation. The sustainability strategy is therefore an integral component of Group strategy. It is based on the effective implementation of ESG (environmental, social and governance) aspects in asset management and underwriting, in the Group's own operations, and in its corporate social commitment activities. We have set ourselves the target of achieving net zero emissions by 2050 for our investments and insurance business.[1] At our own locations worldwide, we are systematically pursuing our goal of achieving GHG neutrality by 2030 (including offsetting any remaining emissions). The focus of our decentralised social and societal engagement is particularly on the areas of diversity, equity and inclusion, as well as (employee) education. Further information on our sustainability strategy can be found in the sustainability statement section.

The risk strategy is explained in the risk report section and is therefore not described in further detail here.

TALANX GROUP STRATEGY



[1] The Talanx Group always makes decisions on the basis of current data and the applicable regulatory framework. Should conditions change, the Talanx Group reserves the right to update the corresponding decisions.

Enterprise management

The Talanx Group's strategy is geared towards long-term value creation for all Group stakeholders (and in particular investors, clients and employees). To achieve this, we focus on continuity, financial strength and profitability. At the same time, we also take the regulatory demands placed on insurance undertakings and rating agencies' expectations into account. Our system of targets is based on four pillars:

- Financial strength
- Sustainable growth
- Long-term value creation
- Optimal capital efficiency

Our end-to-end, integrated management system is designed to help us achieve these goals. It focuses primarily on four fundamental management processes that govern the interactions between Talanx AG and the divisions:

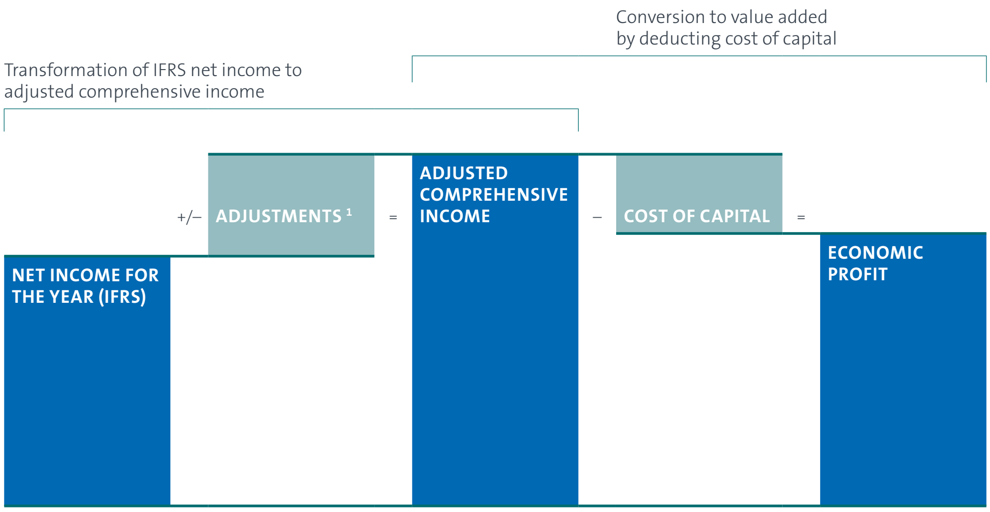
- Capital management
- Performance management
- Risk management
- Mergers & acquisitions

This interplay between Talanx AG and the divisions is underpinned by the Talanx Group's guiding organisational principle, which centralises Group management functions while delegating responsibility for earnings to the divisions.

We measure our Group's financial position using our Solvency 2 ratios and the S&P rating model.

We use our economic performance measurement (EPM) concept and the metric of economic profit to manage long-term value added and to enhance the Group's capital efficiency. This metric enables us to compare different business models. Economic profit measures economic net income (adjusted comprehensive income) net of the cost of capital. In addition to IFRS net income for the financial year, adjusted comprehensive income takes into account other components of the IFRS balance sheet and off-balance-sheet positions (see figure below for calculation). The cost of capital is derived from the capital asset pricing model (CAPM) and is broken down among the segments consistently using the internal model.

ECONOMIC PERFORMANCE MEASUREMENT: RECONCILIATION FROM IFRS NET INCOME TO ECONOMIC PROFIT



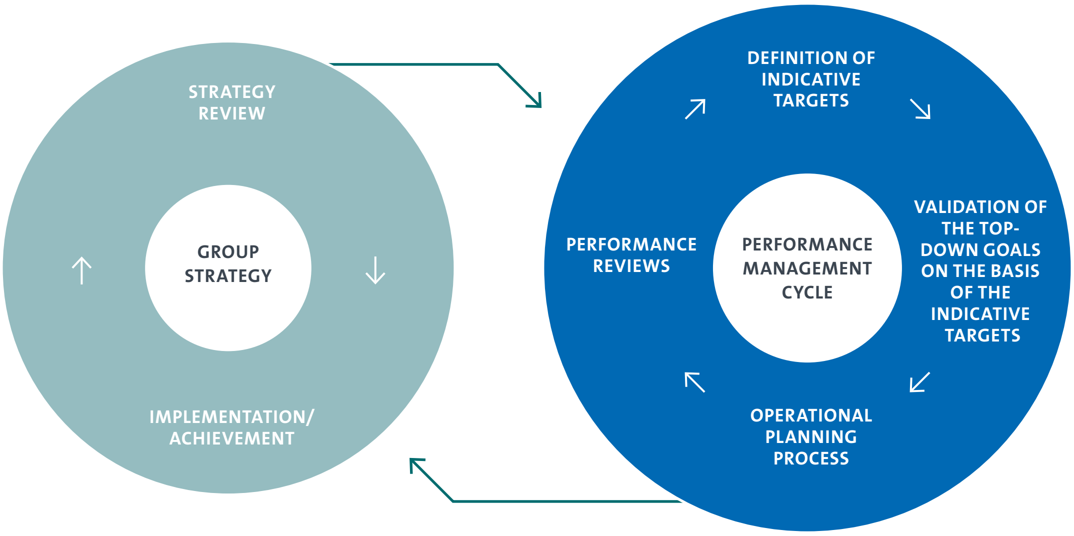
[1] Adjustments, e.g. change in CMS and risk adjustment.

Performance management

Performance management is at the core of our central management system. It ensures efficient, systematic Group management and links business activities at Group and division level with our strategic goals.

The performance management cycle combines our strategic and operational planning and is closely integrated with our Group strategy. It took the following form in the reporting period:

PERFORMANCE MANAGEMENT CYCLE



At the start of the annual performance management cycle, Talanx AG's Board of Management gives the divisions indicative objectives in order to enable them to align their business activities with the strategy. These objectives are derived from the Group's strategic management metrics and initiatives. The strategic management metrics include the return on equity (RoE) and the dividend. A risk budget and a minimum capital adequacy figure are also defined, providing the accompanying framework for these management metrics. Taken together, the indicative objectives formulated by the holding company's Board of Management therefore clearly define its expectations as to profitability, the ability to pay dividends, risk appetite and the level of security for each planning year.

After the indicative objectives have been set, the objectives defined are validated by the divisions in terms of their feasibility and then set by the Talanx Board of Management in the operational planning process.

The Group and the divisions use the management dashboard for business management. The management dashboard displays all the key strategic and operational management metrics, thereby providing an overview of whether the objectives of the Group and the divisions can be achieved sustainably. Running through the performance management process using the management dashboard allows us to ensure end-to-end, uniform management for the entire Group. All areas of the Group are aligned with the strategic objectives and presented in a transparent and balanced manner with the help of measurable metrics. For operational management, we translate our strategic objectives into operational value drivers that are consistent with the strategy.

Currently, the Group is only managed by financial performance indicators. Non-financial management metrics are not relevant for managing the Group. The operational management metrics at Group and division level shown in the following table therefore are purely financial performance indicators.

OPERATIONAL MANAGEMENT METRICS USED IN THE GROUP

CORPORATE & SPECIALTY DIVISION	RETAIL INTERNATIONAL DIVISION	RETAIL GERMANY DIVISION[1]	REINSURANCE DIVISION[2]		GROUP
			PROPERTY/CASUALTY REINSURANCE[2]	LIFE/HEALTH REINSURANCE[2]	
Growth of insurance revenue (adjusted for currency effects)	Growth of insurance revenue (adjusted for currency effects)	Growth of insurance revenue	Growth of insurance revenue (adjusted for currency effects)		Growth of insurance revenue (adjusted for currency effects)
—	—	New business value (net, life insurance only)	—	Insurance service result	Group net income
Combined ratio (net/gross)	Combined ratio (net/gross, property/casualty insurance only)	Combined ratio (net/gross, property/casualty insurance only)	Combined ratio (net/net)	—	—
Return on equity	Return on equity	Return on equity	Return on equity		Return on equity

[1] The two segments Retail Germany – Property/Casualty and Retail Germany – Life were combined into a single Retail Germany segment for the purpose of standardised control based on the resolution of the Board of Management dated 7 October 2024.

[2] The management metrics are being adjusted for the forecast for financial year 2025: for the Reinsurance Division, we will now only forecast the return on equity and no longer the growth in insurance revenue (adjusted for currency effects). For the Property/Casualty Reinsurance segment, we will continue to forecast not only the combined ratio (net/net) but also insurance revenue growth (adjusted for currency effects). For the Life/Health Reinsurance segment, we will forecast net contractual service margin (CSM) growth in addition to the net technical result.

Definitions of management metrics

Combined ratio (property/casualty insurance)
Net/gross: 1 – [insurance service result (net) divided by insurance revenue (gross)].

Net/net: 1 – [insurance service result (net) divided by insurance revenue (net)].[1]

Group net income
Consolidated net income for the period (after financing costs and taxes) excluding non-controlling interests

Growth of insurance revenue (adjusted for currency effects)
The growth of insurance revenue is the nominal growth adjusted for currency effects: insurance revenue for the current year at the prior-year (PY) exchange rate less insurance revenue (PY), divided by insurance revenue (PY).

Insurance service result
Insurance revenue less insurance service expenses and the result from reinsurance contracts held

Net contractual service margin (CSM) growth
Current-year CSM less prior-year CSM, divided by prior-year CSM. The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued. It represents the unrealised profit that the Group will recognise in the future when services are provided in accordance with the insurance contract.

New business value (life insurance)
Net: contractual service margin (CSM) for new business (net) less loss component of new business (net)

Return on equity
Ratio of net income (after financing costs and taxes) excluding non-controlling interests to average equity excluding non-controlling interests.

[1] Insurance revenue (gross) less expenses from reinsurance contracts held.

Report on economic position

Markets and business climate

Macroeconomic development

In 2024, the global economic landscape was characterised by geopolitical tensions such as the conflict in the Middle East, political uncertainty in the face of new elections and changes of government in numerous countries, as well as the restrictive monetary policy of many central banks for long periods of the year. Against this backdrop, the global economy grew by 3.2%, which, after a further slowdown, was slightly below its average since the turn of the millennium.

In Germany, the economy shrank for the second year in a row in 2024, contracting by 0.2%. Within this context, gross value added fell significantly in both the manufacturing and construction industries, while it increased slightly in the services sector. In particular, persistently high energy costs, increased interest rates and the uncertain economic and political outlook proved to be negative factors. On the expenditure side, the increase in private and public consumption was unable to fully compensate for the sharp decline in gross fixed capital expenditure, particularly as regards investments in equipment. At the same time, the headwind increased in the foreign markets. In 2024, Germany was thus among the laggards in the eurozone in terms of economic performance, as it was in 2023, with the eurozone's economic output increasing by 0.7% overall compared to the prior year.

Despite the higher interest rates and all the fears of a recession, the US economy continued to perform well in 2024, growing by 2.8% year on year. This growth was supported by public-sector consumption and capital spending (including on equipment) while foreign trade proved to be a burden in view of the strong growth in imports. In particular, consumer spending again lived up to its reputation as the most important driver of growth in the US economy, benefiting from rising purchasing power thanks to strong wage growth combined with stable inflation and a robust labour market. Although the unemployment rate rose slightly from 3.8% to 4.1% over the course of the year, it remained at a low level by historical standards.

In 2024, economic growth in China slowed from 5.2% year on year to 5.0%. In the face of ongoing turmoil in the property sector, high levels of debt among local governments, limited consumer spending by private households and investment driven exclusively by the state, additional stimulus ultimately ensured a strong fourth quarter, meaning that the country only narrowly achieved the official growth target of 5%.

Growth in Latin America accelerated slightly from 1.9% to 2.2% last year. The fact that many central banks in the region had already begun to lower their key interest rates again in 2023, after they had risen sharply in the wake of the post-COVID-19 inflation shock, proved to have a supportive effect. Nevertheless, growth remained below the average since the turn of the millennium.

REAL GDP

% change year-on-year	2024[1]	2023
Germany	–0,2	–0.3
Eurozone	+0.7	+0.4
USA	+2.8	+2.9
China	+5.0	+5.2

[1] Source: Bloomberg; provisional figures as at 12 February 2025.

Global inflationary pressure continued to ease last year, although inflation rates did not return to their pre-COVID-19 levels. In the eurozone, the inflation rate still stood at 2.5% in the middle of last year. However, the sharp decline of around eight percentage points from the 2022 high gave the ECB sufficient confidence to initiate a cycle of interest rate cuts from June onwards in the face of weak economic activity in the eurozone, and to subsequently lower the deposit rate from 4.00% to 3.00% by year-end. After price pressure in the United States initially increased again in the first quarter of 2024, inflation in the country stabilised between 2.5% and 3%. In this context, the Fed remained comparatively cautious and only began lowering interest rates in September, although it also reduced the base rate by a full percentage point to 4.50% by the end of the year.

Capital markets

The prospect of interest rate cuts by the central banks, the stable economic environment in the United States and positive earnings trends drove the stock markets to ever new record highs in 2024. The US S&P 500 ended the year up 23.3% (all performance figures calculated in USD), thereby posting growth of more than 20% for the second year in a row. As in the prior year, the US stock market benefited from the well above-average performance of the major technology companies, not least in the face of the euphoria surrounding the topic of artificial intelligence, whereas the temporary "Trump rally" after the US presidential elections at the beginning of November proved to be short-lived. Equities in the developed markets (MSCI World: +17.0%), Asia (MSCI Asia ex Japan: +9.8%) and China (MSCI China: +16.3%) lagged behind. In US dollar terms, the Euro Stoxx index even ended the year with a small loss of 0.3%, while the DAX rose above the 20,000-point mark for the first time in its history. Due to the prospect of interest rate cuts by the Fed, the yield on 10-year US Treasuries fell from its high of 5% in autumn 2023 to 3.62% by September 2024. However, concerns about the United States' high national debt and the future US president's potentially inflationary (tariff) policy, as well as doubts about further interest rate cuts by the Fed, pushed yields back up to 4.57% by the end of the year (2024: +0.69 percentage points). The yield on 10-year German government bonds rose from 2.02% to 2.37% overall over the course of 2024. The price of Brent crude oil reached its annual high of USD 91 per barrel in April, as the conflict in the Middle East escalated. However, by the end of the year, it had fallen to USD 74, a year-on-year decline of 3.1%. After the euro had gained ground to USD 1.12 by August, the sharp rise in interest rates in the United States in the autumn triggered a significant downward trend towards parity. At the end of the year, the EUR was trading at USD 1.04, down 6.2% on its opening price at the start of the year.

German insurance industry

Property/Casualty Insurance

The development of property/casualty insurance in the German insurance industry was again characterised by inflation-related premium adjustments in 2024 due to catch-up effects. Due to these catch-up effects, motor insurance was able to record a significant increase in premiums despite only a small increase in the portfolio. Claims expenses were again higher than in the prior year due to rising repair costs and a slight increase in the frequency of claims. In 2024, losses due to natural catastrophes decreased slightly compared to the prior year, but remained at a high level. In particular, severe natural hazard losses occurred at a rate well above the long-term average. The most severe natural hazard losses were caused by the floods in May and June of the reporting period.

Life Insurance

Premium income in the German life insurance business continued to decline in 2024, albeit at a slower rate than in previous years. The main reason for this was that the single premium business has stabilised due to falling short-term interest rates. The regular premium business recorded increased new business due to the rise in nominal wages. However, due to a higher number of terminations in absolute terms, there was a slight decline in the portfolios overall.

International insurance markets

The Talanx Group has defined the regions of Europe and Latin America as target regions for expanding its international retail business. In the Corporate & Speciality Division, the group is further expanding its global presence. This section focuses primarily on developments in the above-mentioned international target regions.

Property/Casualty Insurance

International property/casualty insurance recorded real premium growth in 2024 due to the ongoing hard market phase, particularly in the field of private insurance. Growth in the developed insurance markets was slightly below the level of emerging markets (excluding China) and was mainly characterised by inflation-related price adjustments. In this context, **North America** showed the strongest real premium growth, followed by **Europe** and **the Asia-Pacific region.** The positive real premium growth in emerging markets was primarily driven by volume effects.

The losses caused by natural catastrophes in the reporting period were above the level of the prior year and significantly above the ten-year average. Once again, a large share of the losses was due to a multitude of events with low to moderate impact, in particular severe thunderstorms, floods and hurricanes. In Europe and the Middle East, severe flooding caused extensive damage, while the United States was affected by hurricanes Helene and Milton and severe thunderstorms. **International property/casualty reinsurance** recorded positive premium growth in the reporting period, which was also primarily due to price adjustments.

Life Insurance

Premium income in **international life insurance markets** in 2024 was well above the long-term trend, mainly due to stronger demand for savings products. The increase in total premiums was again primarily driven by the emerging markets, particularly China and India. Due to improved macroeconomic conditions, however, even the developed insurance markets, especially **North America** and **Europe,** saw growth in premium income well above the long-term trend. Similarly, **international life/health reinsurance** recorded positive premium growth in 2024, favoured by strong economic growth in emerging markets and government insurance reforms.

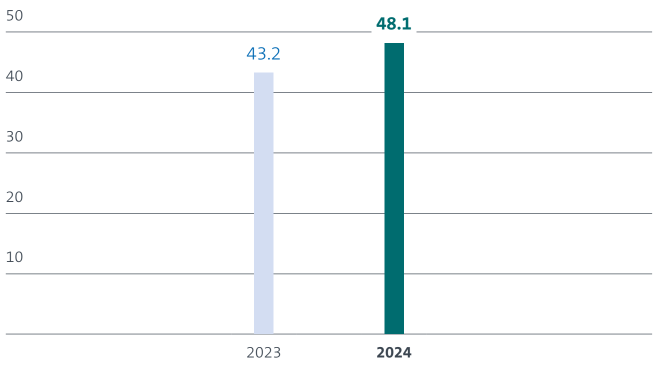
Business performance

The Group continues to enhance profitability in primary insurance both in Germany and abroad. The Corporate & Specialty Division focuses on being a leading partner for international insurance programmes and a service provider for captives. The Division intends to generate growth in specialty insurance and particularly in North America, Europe and Australia, as well as in selected emerging markets. The Retail International Division looks set to see its strong growth continue and further advance diversification with the aim of being one of the top five in property/ casualty insurance in our core markets. The Retail Germany Division is continuing to focus on its strategy. It aims to generate further growth in business with small and medium-sized enterprises (SMEs) and organic growth in the area of banking partnerships. The Reinsurance Division's strategy is focused on achieving industry-leading performance in terms of profitability and earnings growth.

Despite challenging conditions, insurance revenue (EUR 48.1 billion) and operating profit (EUR 4,913 million) were up 11.4% and 60.1% respectively on the prior year. Group net income (EUR 1,977 million) rose by 25.0%.

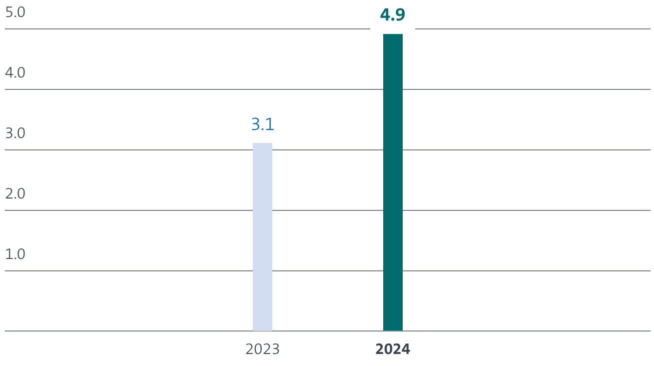
INSURANCE REVENUE

EUR billion



OPERATING PROFIT/LOSS (EBIT)

EUR billion



Talanx diversifies reinsurance coverage

The Talanx Group has issued a catastrophe bond ("cat bond") for the first time and purchased multi-year coverage for earthquake risks in Chile. The bond, issued by Maschpark Re Ltd., a special purpose vehicle established in Bermuda, in collaboration with Talanx subsidiary Hannover Re, has a total value of USD 100 million.

Talanx finalises purchase price financing for Liberty Mutual acquisition

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 majority shareholder of Talanx AG. The bond proceeds were used to partially finance the acquisition of Liberty Mutual in Brazil, Chile, Colombia and Ecuador.

Group's course of business

- Insurance revenue up 13.0% adjusted for currency effects
- Group net income up 25.0%
- Combined ratio falls by 3.9 percentage points

GROUP KEY FIGURES

EUR million	2024	2023	+/–
Insurance revenue	48,150	43,237	+11.4%
Insurance service result	5,114	3,234	+58.1%
Net insurance financial and investment result before currency effects	1,278	1,130	+13.1%
of which investment result	5,772	4,649	+24.2%
of which net insurance financial result before currency effects	–4,494	–3,519	–27.7%
Operating profit/loss (EBIT)	4,913	3,068	+60.1%
Combined ratio (property/casualty only, net/gross) in %	90.3	94.3	–3.9 ppts

GROUP MANAGEMENT METRICS

%	2024	2023	+/–
Growth of insurance revenue (adjusted for currency effects)	13.0	12.2	+0.8ppts
Group net income in EUR million	1,977	1,581	+25.0%
Return on equity	17.9	16.6	+1.3ppts

Insurance revenue

The Talanx Group increased its insurance revenue by 11.4% to EUR 48.1 (43.2) billion in the reporting period, with 46.5% of this total coming from primary insurance. Adjusted for currency effects, insurance revenue increased by 13.0%. The Corporate & Specialty and Retail International segments contributed significantly to the growth in insurance revenue, with increases of 10.4% and 30.7%, respectively.

Insurance service result

The insurance service result improved by 58.1% to EUR 5.1 (3.2) billion, due mainly to the improved profitability of business in all divisions. At EUR 2,199 million, large losses remained within the expected large loss budget for the financial year (EUR 2,435 million). The largest single losses were Hurricane Milton at EUR 290 million, the floods in Eastern Europe at EUR 254 million and the flooding in Brazil at EUR 148 million. The Life/Health Reinsurance segment contributed to the result with strong performance in its longevity and mortality business.

The combined ratio improved by 3.9 percentage points to 90.3% (94.3%) due to improved combined ratios in all divisions, but particularly in the Retail International and Property/Casualty Reinsurance divisions.

Net insurance financial and investment result (before currency effects)

Investment income in the reporting period totalled EUR 5,772 (4,649) million. Net investment income for own risk improved to EUR 3,880 (3,235) million. Ordinary investment income increased by 15%, mainly due to higher interest income. In addition, we were able to generate higher recurring income from alternative investments. Compared to the prior year, the result from the disposal of investments also improved, more than offsetting the increase in other investment expenses, which was mainly due to payments on challenged additional tax assessment notices related to investment risks. The 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 –4,494 (–3,519) million. Overall, the net insurance financial and investment result before currency effects rose by 13.1% to EUR 1,278 (1,130) million.

Operating profit and Group net income

Operating profit (EBIT) rose by 60.1% to EUR 4.913 (3,068) million. The declines in the currency result and in the other result were more than offset by the improvements in the net insurance service result and the net insurance financial and investment result (before currency effects). The increase was primarily driven by the growth in EBIT in the Corporate & Specialty (+57.4%), Retail International (+64.7%) and Property/Casualty Reinsurance (+114.2%) segments. Tax expenses increased to EUR –1,402 (–289) million. Tax expenses in the prior year were very low due to a one-time effect in connection with the introduction of a corporate tax regime in Bermuda and as a result of different regional earnings contributions. Group net income of EUR 1,977 (1,581) million was 25.0% higher than in the same period of the prior year. Return on equity in the reporting period was 17.9% (16.6%).

The net contractual service margin (CSM) rose to EUR 11.4 (10.7) billion. The increase was mainly due to the Retail Germany and Life/Health Reinsurance segments.

Comparison of actual business performance with the 2024 forecast

GROUP MANAGEMENT METRICS

%	2024	Forecast for 2024 from the 2023 Annual Report
Growth of insurance revenue (adjusted for currency effects)	13.0	high single-digit percentage
Group net income in EUR billion [1]	2.0	> 1.7
Return on equity	17.9	~ 15

[1] The forecast was adjusted to ">EUR 1.9 billion" during 2024.

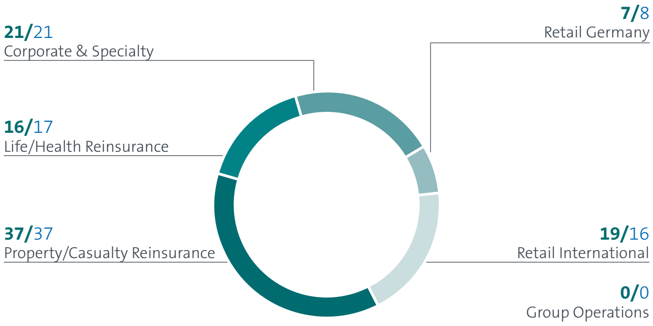
Adjusted for exchange rates, insurance revenue grew by 13.0% in the reporting period, which was above the upper single-digit percentage range forecast. At EUR 2.0 billion, Group net income also exceeded the guidance for the reporting period (revised during the year), which anticipated Group net income of more than EUR 1.9 billion. The forecast for the return on equity was given in the annual report as around 15%. The actual return on equity of 17.9% significantly exceeded the forecast.

Performance of the Group's Divisions

At a strategic level, Talanx divides its business into six reportable segments: Corporate & Specialty, Retail International, Retail Germany, Property/Casualty Reinsurance, Life/Health Reinsurance and Group Operations. Please refer to the "Segment reporting" section of the Notes to the consolidated financial statements for details of these segments' structure and scope of business.

INSURANCE REVENUE BY SEGMENT

%



2024/2023

Corporate & Specialty

- Significant increase in operating profit, driven by underwriting and investment performance
- Double-digit revenue growth due to rate increases and new business
- Underwriting benefitted from low frequency and large losses

KEY FIGURES FOR THE CORPORATE & SPECIALTY DIVISION

EUR million	2024	2023	+/−
Insurance revenue	10,006	9,065	+10.4%
Insurance service result	1,004	770	+30.4%
Net insurance financial and investment result before currency effects	83	11	+660.5%
of which investment result	368	196	+87.5%
of which net insurance financial result before currency effects	−285	−185	−53.6%
Operating profit/loss (EBIT)	702	446	+57.4%

MANAGEMENT METRICS FOR THE CORPORATE & SPECIALTY DIVISION

%	2024	2023	+/−
Growth of insurance revenue (adjusted for currency effects)	10.7	12.3	−1.6ppts
Combined ratio (net/gross)	90.0	91.5	−1.5ppts
Return on equity	17.6	14.3	+3.3ppts

The division brings together the Talanx Group's global activities in the area of corporate and specialty insurance and is active in more than 175 countries with its companies and branches, as well as through network partners.

Insurance revenue

The division's insurance revenue rose sharply by 10.4% to EUR 10.0 (9.1) billion (10.7% after adjustment for currency effects). The growth resulted from new business in property, liability and specialty business and inflation-related price adjustments.

Insurance service result

At EUR 1,004 (770) million, the net insurance service result in the division was up significantly on the prior year. The loss ratio improved from approximately EUR 60 million to 73.5% (74.5%) due to lower frequency losses and the underutilisation of the large loss budget. The expense ratio also decreased to 16.5% (17.0%). This resulted in a combined ratio (net/gross) of 90.0% (91.5%).

Net insurance financial and investment result (before currency effects)

Investment income was well up on the previous year at EUR 368 (196) million due to higher regular interest income and an increased investment volume. The decline of the net insurance financial result to EUR −285 (−185) million was to be expected in the current interest-rate environment.

Operating profit and Group net income

The 57.4% increase in operating profit to EUR 702 (446) million was driven by favourable developments in both underwriting and investment. The contribution to Group net income totalled EUR 501 (351) million.

Comparison of actual business performance with the 2024 forecast

MANAGEMENT METRICS FOR THE CORPORATE & SPECIALTY DIVISION

%	2024	Forecast for 2024 from the 2023 Annual Report
Growth of insurance revenue (adjusted for currency effects)	10.7	high single-digit percentage
Combined ratio (net/gross)	90.0	< 93
Return on equity	17.6	~ 13

At 10.7%, growth in insurance revenue (adjusted for currency effects) was slightly higher than expected. The property, liability and specialty lines contributed to this, both through new business and through rate increases. At 90.0%, the combined ratio (net/gross) remained below the expected <93%; it benefited from low frequency loss ratios and an underutilisation of the large loss budget.

Strong underwriting and investment performance resulted in a return on equity of 17.6%, significantly above the expected level of approximately 13%.

Retail International

- Insurance revenue up 39.9% (adjusted for exchange rates), particularly as a result of the contribution of the acquired Liberty companies in Latin America and WARTA
- Combined ratio falls to 92.5%, largely influenced by the Liberty companies, Chile and Türkiye
- Operating profit up 64.7% to EUR 836 million, an even sharper increase than insurance revenue

KEY FIGURES FOR THE RETAIL INTERNATIONAL DIVISION

EUR million	2024	2023	+/–
Insurance revenue	9,281	7,099	+30.7%
Insurance service result	778	426	+82.7%
Net insurance financial and investment result before currency effects	448	368	+21.9%
of which investment result	784	628	+24.9%
of which net insurance financial result before currency effects	–336	–261	–29.0%
Operating profit/loss (EBIT)	836	507	+64.7%

MANAGEMENT METRICS FOR THE RETAIL INTERNATIONAL DIVISION

%	2024	2023	+/–
Growth of insurance revenue (adjusted for currency effects)	39.9	40.8	–0.9 ppts
Combined ratio (net/gross, Property/Casualty Insurance only)	92.5	95.0	–2.5 ppts
Return on equity	15.3	11.2	+4.1 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. As a result, HDI has strengthened its market position and is now ranked number 1 in Chile, number 7 in Colombia and number 17 in Ecuador in the property and casualty insurance business. The operating companies of Liberty Seguros in Chile and the Chilean HDI Seguros S.A. merged on 1 November 2024, with the Colombian operating companies following suit on 2 January 2025.

In addition, an agreement was reached in December 2024 that the strategic partnership between the Division and Meiji Yasuda Life Insurance Company will expire on 31 December 2025. In this context, the Division plans to take over the shares of the Polish subsidiaries Towarzystwo Ubezpieczeń i Reasekuracji WARTA S.A. (24.3%) and Towarzystwo Ubezpieczeń Europa S.A. (50.0% minus one share) starting in 2026.

Insurance revenue

Insurance revenue generated by the Division increased by 30.7% (39.9% when adjusted for currency effects) over the previous year to EUR 9.3 (7.1) billion. This strong performance was driven by both organic growth (approximately 15% after adjusting for currency effects) and the inclusion of the Liberty companies acquired in Latin America. The organic growth was driven primarily by the motor, building and life insurance business of the Polish companies Towarzystwo Ubezpieczeń i Reasekuracji WARTA S.A. and Towarzystwo Ubezpieczeń na Życie WARTA S.A. Accordingly, the segment generated an equal share of its insurance revenue in Latin America and Europe for the first time.

Insurance service result

The combined ratio improved to 92.5% (95.0%) and also benefited from the acquired Liberty companies, which had a better combined ratio than the segment average. In addition, the motor business written by the Chilean company HDI Seguros S.A. delivered a thoroughly favourable underwriting performance, while the Turkish company HDI Sigorta A.Ş. achieved operational improvements. These drivers and the continued strong business performance in Italy and Poland more than offset the large losses from natural disasters, particularly in Eastern Europe and Chile. The insurance service result increased accordingly to EUR 778 (426) million.

Net insurance financial and investment result (before currency effects)

Net insurance financial and investment result rose compared to the 2023 financial year to EUR 448 (368) million. In particular, higher volumes from the Liberty acquisition and in Türkiye led to an increase in ordinary investment income, more than offsetting negative exchange rate effects, mainly in Türkiye. The result from unit-linked insurance policies reduced the net investment result by EUR 14 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 80 million.

Operating profit and Group net income

In the 2024 financial year, the Retail International Division generated an operating profit (EBIT) of EUR 836 million, an increase of 65% over the previous year (EUR 507 million). This operational improvement resulted from the inclusion of the acquired Liberty companies and the strong underwriting performance in Chile as regards the Latin America region. Overall, operating profit (EBIT) in the Latin America region rose by EUR 132 million to EUR 275 million. Operating profit (EBIT) in the Europe region increased to EUR 592 (408) million. The main drivers here were the Polish WARTA companies and HDI Sigorta A.Ş. in Türkiye, thanks to operational improvements. Group net income after minority interests increased accordingly to EUR 449 (277) million with a return on equity of 15.3% (11.2%)

Comparison of actual business performance with the 2024 forecast

MANAGEMENT METRICS FOR THE RETAIL INTERNATIONAL DIVISION

%	2024	Forecast for 2024 from the 2023 Annual Report
Growth of insurance revenue (adjusted for currency effects)[1]	39.9	n.a.
Combined ratio (net/gross, Property/Casualty Insurance only)	92.5	< 95
Return on equity	15.3	> 8.5

[1] In the forecast from the 2023 annual report, growth of insurance revenue was forecast separately for property/casualty insurance with "low double-digit growth" and for life insurance with "mid single-digit growth".

The Retail International Division recorded a 39.9% increase in insurance revenue (adjusted for currency effects) in the 2024 financial year. In the guidance from the 2023 annual report, growth in insurance revenue was only forecast separately for property/casualty ("low double-digit growth") and life insurance ("mid single-digit growth"). The combined ratio (net/gross) for international property/casualty insurance was also significantly better than forecast at 92.5%. At 15.3%, the return on equity significantly exceeded the most recent guidance of more than 10% for 2024.

Overview of key figures

RETAIL INTERNATIONAL DIVISION BY LINE OF BUSINESS AT A GLANCE

EUR million	2024	2023	+/–
Insurance revenue	**9,281**	**7,099**	**30.7%**
Property/Casualty	8,510	6,516	30.6%
Life	771	583	32.2%
Insurance service result	**778**	**426**	**82.7%**
Property/Casualty	642	328	95.7%
Life	136	98	39.3%
Net insurance financial and investment result before currency effects	**448**	**368**	**21.9%**
Property/Casualty	419	351	19.6%
Life	32	21	52.4%

RETAIL INTERNATIONAL DIVISION BY REGION AT A GLANCE

EUR million	2024	2023	+/–
Insurance revenue	**9,281**	**7,099**	**30.7%**
of which Europe	4,812	4,353	10.5%
of which Latin America	4,469	2,746	62.7%
Insurance service result	**778**	**426**	**82.7%**
of which Europe	439	263	67.2%
of which Latin America	339	163	107.7%
Net insurance financial and investment result before currency effects	**448**	**368**	**21.9%**
of which Europe	297	270	10.0%
of which Latin America	155	102	50.8%
Operating profit/loss (EBIT)	**836**	**507**	**64.7%**
of which Europe	592	408	45.3%
of which Latin America	275	142	92.9%

Retail Germany

The two segments Retail Germany – Property/Casualty and Retail Germany – Life were combined into a single Retail Germany segment for the purpose of standardised control based on the resolution of the Board of Management dated 7 October 2024.

- Insurance revenue continues to rise
- Improvement in insurance service result, in particular due to lower large loss burden
- Stable EBIT slightly above prior-year level

KEY FIGURES FOR THE RETAIL GERMANY DIVISION

EUR million	2024	2023	+/–
Insurance revenue	3,619	3,558	+1.7%
Insurance service result	402	360	+11.6%
Net insurance financial and investment result before currency effects	–5	120	–104.2%
of which investment result	2,861	2,279	+25.6%
of which net insurance financial result before currency effects	–2,867	–2,158	–32.8%
Operating profit/loss (EBIT)	262	259	+0.9%

MANAGEMENT METRICS FOR THE RETAIL GERMANY DIVISION

%	2024	2023	+/–
Growth of insurance revenue	1.7	4.3	–2.6ppts
New business value (net, Life Insurance only) in EUR million	316	338	–6.8%
Combined ratio (net/gross, Property/Casualty Insurance only)	96.6	97.5	–1.0ppts
Return on equity	10.8	11.0	–0.2ppts

Insurance revenue

In the Retail Germany segment, insurance revenue increased by 1.7% to EUR 3,619 (3,558) million. In this context, increases were achieved in both life insurance and property/casualty insurance. The increase particularly relates to the corporate customers/liberal professions and motor lines of business, as well as pension products in life insurance.

Insurance service result

In the reporting period, the insurance service result increased compared to the prior-year period to EUR 402 (360) million.

This was primarily due to fewer claims resulting from frequency losses in motor insurance as well as large losses and natural catastrophes. In life insurance, too, an increase in pension scheme insurance contributed to the strong result.

In property/casualty insurance, the combined ratio (net) improved by 1.0 percentage points from 97.5% to 96.6%.

Net insurance financial and investment result (before currency effects)

The net insurance financial and investment result decreased to EUR –5 (120) million due to higher investment expenses.

Operating profit

Despite a decline in the net insurance financial and investment result and an improved currency and other result, operating profit (EBIT) remained at the previous year's level.

Comparison of actual business performance with the 2024 forecast

MANAGEMENT METRICS FOR THE RETAIL GERMANY DIVISION

%	2024	Forecast for 2024 from the 2023 Annual Report
Growth of insurance revenue[1]	1.7	stable
New business value (net, Life Insurance only)	316	> 300
Combined ratio (net/gross, Property/Casualty Insurance only)	96.6	< 98
Return on equity	10.8	> 10

[1] In the forecast from the 2023 annual report, the growth of insurance revenue was forecast to be „stable" separately for property/casualty and life insurance.

The positive trend in insurance revenue in both the property/casualty and life insurance business slightly exceeded our expectations.

The line-specific KPI of the combined ratio (net/gross) remained below the forecast level of 96.6%, due in part to a lower large loss burden from frequency losses in motor and from large losses and natural catastrophes.

Thanks to stable Group net income of EUR 163 (161) million, the Division exceeded the forecast return on equity.

Overview of key figures

RETAIL GERMANY DIVISION BY LINE OF BUSINESS AT A GLANCE

EUR million	2024	2,023	+/−
Insurance revenue	**3,619**	**3,558**	**1.7%**
Property/Casualty	1,799	1,764	2.0%
Life	1,819	1,793	1.4%
Insurance service result	**402**	**360**	**11.6%**
Property/Casualty	62	43	41.7%
Life	340	317	7.4%
Net insurance financial and investment result before currency effects	**−5**	**120**	**−104.2%**
Property/Casualty	75	77	−3.0%
Life	−78	43	−282.1%

Reinsurance

Property/Casualty Reinsurance

- Insurance revenue up 11.1% adjusted for currency effects
- Contractual service margin (CSM) from new business totalled EUR 2.7 billion
- Trend towards rate increases in treaty renewal rounds continued in 2024
- Large loss expenditure within expected budget despite high loss claims frequency
- Combined ratio (net/net) of 86.6%
- Operating profit rose to EUR 2,413 million

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

EUR million	2024	2023	+/−
Insurance revenue	18,665	16,824	+10.9%
Insurance service result	2,136	848	+151.7%
Net insurance financial and investment result before currency effects	697	483	+44.3%
of which investment result	1,642	1,205	+36.2%
of which net insurance financial result before currency effects	−945	−722	−30.8%
Operating profit/loss (EBIT)	2,413	1,127	+114.2%

MANAGEMENT METRICS FOR THE PROPERTY/CASUALTY REINSURANCE SEGMENT

%	2024	2023	+/−
Combined ratio (net/net)	86.6	94.0	−7.5ppts

Business performance

In the 2024 financial year, the global markets for property and casualty reinsurance were characterised by a large number of weather-related natural catastrophes that resulted in losses for the entire industry.

In the treaty renewals during the year, prices and terms improved in some areas and stabilised at a high level in others. At the same time, demand for high-quality reinsurance cover began to rise. In summary, we were satisfied with the renewals. We traditionally report price changes on a risk-adjusted basis, i.e. inflation rates and model adjustments are already factored into the price developments we report.

In the nat cat business, we continued to pursue a profit-oriented underwriting policy in what remained an attractive market environment.

Insurance revenue

Thanks to an underwriting approach that focuses on quality, the contractual service margin (CSM) from new business rose significantly by 15.4% to EUR 2,733 (2,368) million. The net loss component from new business totalled EUR 42 (40) million.

Insurance revenue (gross) in the Property/Casualty Reinsurance segment increased by 10.9% to EUR 18.7 (16.8) billion. At constant exchange rates, growth would have amounted to 11.1%

The 2024 financial year was characterised by a high frequency of medium-scale catastrophe losses. Net losses from large losses totalled EUR 1,629 (1,621) million in the financial year. This puts them within the expected budget for 2024 of EUR 1,825 million. We classify large losses as events for which we expect to pay out over EUR 10 million in gross claims and claims expenses.

Insurance service result

The largest net single losses for Hannover Re were Hurricane Milton at EUR 230 million, followed by the flooding caused by heavy rainfall in parts of Central and Eastern Europe at EUR 194 million. Damage caused by flooding following heavy rainfall in Dubai and other parts of the United Arab Emirates cost EUR 138 million, while unrest in the French overseas territory of New Caledonia cost EUR 117 million. The net loss from Hurricane Helene amounted to EUR 116 million. Claims payments relating to the collapsed bridge in Baltimore totalled EUR 103 million. In addition, we have significantly increased our provisions for losses related to Russia's war of aggression against Ukraine.

The insurance service result (net) rose significantly to EUR 2,136 (848) million. The combined ratio improved from 94.0% to 86.6% for two main reasons: firstly, the profitability of the business continued to improve and, secondly, the loss reserves were built up to an unusually high level in the prior-year period, which then normalised in the financial year. The insurance financial result, adjusted for currency effects, amounted to EUR –945 (–722) million.

Net insurance financial and investment result (before currency effects)

Investment income in the Property/Casualty Reinsurance segment totalled EUR 1,642 (1,205) million. This increase was mainly influenced by the rise in ordinary investment income. In light of the rise in interest rates, income from fixed-interest securities increased again. In addition, income from the portfolio of inflation-linked bonds and alternative investments contributed to the result.

Operating profit and net investment income

Operating profit (EBIT) rose to EUR 2,413 (1,127) million due to the significant improvement in the insurance service result and higher investment income.

Comparison of actual business performance with the 2024 forecast

MANAGEMENT METRICS FOR THE PROPERTY/CASUALTY REINSURANCE SEGMENT

%	2024	Forecast for 2024 from the 2023 Annual Report
Combined ratio (net/net)	86.6	< 89

The combined ratio in the Property/Casualty Reinsurance segment was 86.6%, which was below the targeted forecast of less than 89%.

Life/Health Reinsurance

- Insurance revenue (gross) adjusted for currency effects rose by 0.6% to EUR 7,715 million
- Contractual service margin (CSM) from new business totalled EUR 317 million
- Net contractual service margin (CSM) grew by 9.5% to EUR 6.5 billion
- Continued high customer demand for longevity cover and financial solutions
- Operating profit rose by 7.2% to EUR 926 million

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

EUR million	2024	2023	+/–
Insurance revenue	7,715	7,633	+1.1%
Insurance service result	883	810	+9.0%
Net insurance financial and investment result before currency effects	226	258	–12.4%
of which investment result	396	416	–4.8%
of which net insurance financial result before currency effects	–170	–158	–7.7%
Operating profit/loss (EBIT)	926	864	+7.2%

MANAGEMENT METRICS FOR THE LIFE/HEALTH REINSURANCE SEGMENT

EUR million	2024	2023	+/–
Insurance service result	883	810	+9.0%

Business performance

All areas of Life/Health Reinsurance enjoyed consistently high customer demand in 2024. Our business was again shaped by the trend of stiff competition on global life/health reinsurance markets in the reporting period.

The contractual service margin (CSM) from new business fell to EUR 317 (359) million. The net loss component (LC) from new business was EUR 6 (14) million. In addition, policy renewals and changes to existing business increased the net contractual service margin (CSM) to EUR 6,517 (5,950) million.

Insurance revenue

Insurance revenue in the Life/Health Reinsurance segment came to EUR 7.7 (7.6) billion; adjusted for currency effects, reinsurance revenue would have grown by 0.6%.

Insurance service result

The insurance service result improved by 9.0% to EUR 883 (810) million, thereby surpassing our target for the Life/Health Reinsurance segment of more than EUR 850 million.

Net insurance financial and investment result (before currency effects)

The insurance financial result (net) before currency effects, which reflects the reversal of discounting recognised in prior years, fell to EUR –170 (–158) million.

Net investment income in the Life/Health Reinsurance segment decreased by 4.8% to EUR 396 (416) million.

Operating profit

Operating profit (EBIT) rose by 7.2% to EUR 926 (864) million.

Comparison of actual business performance with the 2024 forecast

MANAGEMENT METRICS FOR THE LIFE/HEALTH REINSURANCE SEGMENT

EUR million	2024	Forecast for 2024 from the 2023 Annual Report
Insurance service result	883	> 850

At EUR 883 million, the insurance service result in the reporting period was well above the forecast range.

Reinsurance Division as a whole

MANAGEMENT METRICS FOR THE REINSURANCE DIVISION AS A WHOLE

%	2024	2023	+/–
Growth of insurance revenue (adjusted for currency effects)	7.8	4.9	+2.9 ppts
Return on equity	21.7	19.4	+2.3 ppts

Insurance revenue (adjusted for currency effects) grew by 7.8%. Return on equity rose by 2.3 percentage points to 21.7% (19.4%).

Comparison of actual business performance with the 2024 forecast

MANAGEMENT METRICS FOR THE REINSURANCE DIVISION AS A WHOLE

%	2024	Forecast for 2024 from the 2023 Annual Report
Growth of insurance revenue (adjusted for currency effects)	7.8	> 5
Return on equity	21.7	~ 19

At 7.8%, growth in insurance revenue in the Reinsurance Division was above the forecast for 2024. The return on equity was 21.7%, which was also well above the forecast.

Group Operations

- Insurance revenue from intragroup acquisitions grew to EUR 1,123 (965) million
- Insurance service result improved to EUR 32 (27) million
- Investments for own risk in the Group up 6.6% to EUR 144.3 billion

The Group's reinsurance specialists

Insurance revenue from intragroup takeovers in the Group Operations segment amounted to EUR 1,123 (965) million in 2024 and resulted from reinsurance cessions in the Corporate & Specialty, Retail International and Retail Germany Divisions. The insurance service result in the Group Operations segment improved to EUR 32 (27) million. In the 2024 financial year, the segment's share of large losses was EUR 52 million, which was within the segment's share of the large loss budget of EUR 70 million. The largest single losses were the flooding in Eastern Europe, costing EUR 16 million, and the flood in Brazil, costing EUR 11 million.

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 144.3 (135.4) billion compared to the previous year, with all divisions seeing an upturn. The Ampega companies accounted for a total of EUR 73 (57) million of the segment's operating profit in the 2024 financial year.

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 total value of assets managed by Ampega Investment GmbH rose by 11.8% to EUR 52.6 (47.1) billion compared to the figure at the beginning of the year. At EUR 11.6 (13.1) billion, slightly less than one quarter of the total portfolio value is managed on behalf of Group companies using special funds and direct investment mandates. Of the remainder, EUR 29.9 (24.0) billion was attributable to institutional third-party clients and EUR 11.2 (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

Operating profit in the Group Operations segment decreased to EUR –169 (26) million in the 2024 financial year and includes expenses for payments under indemnification declarations to life insurance companies in the Group in connection with expenses from contested additional tax assessments in connection with investment risks. Group net income attributable to shareholders of Talanx AG for this segment amounted to EUR –318 (–87) million after taxes and financing costs in the reporting period.

Assets, liabilities and financial position

Assets and liabilities

- Total assets up EUR 11.9 billion to EUR 180.4 billion
- Investments account for 88% of total assets

ASSET STRUCTURE

EUR million	2024		2023[1]	
Intangible assets	2,285	1%	2,393	1%
Insurance contracts assets	1,618	1%	1,049	1%
Reinsurance contracts assets	7,721	4%	7,074	4%
Investments for own risk	144,302	80%	135,390	80%
Investments for the benefit of life insurance policyholders who bear the investment risk	14,138	8%	12,478	7%
Cash at banks, cheques and cash-in-hand	5,167	3%	5,102	3%
Deferred tax assets	1,206	1%	1,358	1%
Other assets	3,924	2%	3,660	2%
Non-current assets and assets of disposal groups classified as held for sale	57	0%	20	0%
Total assets	**180,419**	**100%**	**168,525**	**100%**

[1] Adjusted in accordance with IAS 8, see also the "Accounting policies" section of the Notes.

Significant changes in the asset structure

The EUR 11.9 billion increase in our total assets to EUR 180.4 billion is primarily attributable to the increase in investments for own risk (up EUR +8.9 billion) and the increase in investments for the account and risk of life insurance policyholders (up EUR +1.7 billion).

Intangible assets of EUR 2,285 (2,393) million include capitalised goodwill of EUR 1,592 (1,611) million and other intangible assets of EUR 693 (782) million.

"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. In the case of these life insurance products, for which the policyholders themselves bear the investment risk, the technical liabilities reflect the fair values of the corresponding investments.

In the item Non-current assets and assets of disposal groups classified as held for sale, we recognised EUR 57 million as at the end of the reporting period, of which EUR 14 million is attributable to the planned disposal of an insurance portfolio in the Corporate & Specialty segment and EUR 42 million to the planned disposal of real estate holdings in the Reinsurance and Retail Germany Divisions.

Asset management and objectives

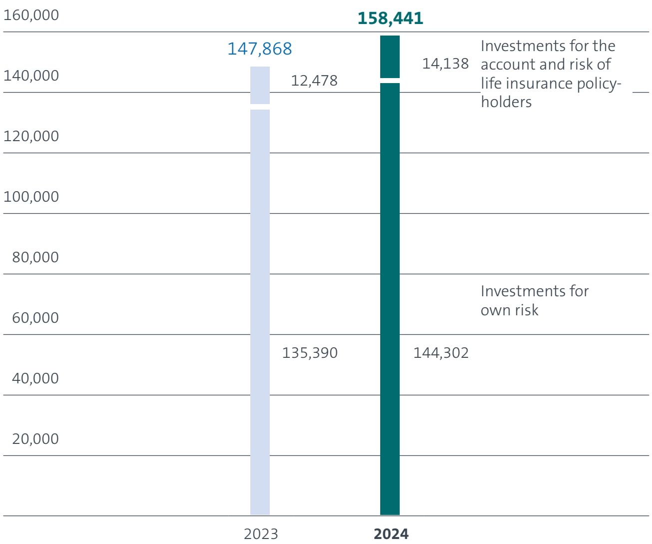
Geopolitical tensions in the Middle East, political uncertainty due to new elections and restrictive monetary policies characterised the global economic situation in 2024. At +3.2%, global economic growth was slightly below the average since 2000.

The prospects of interest rate cuts, a stable economic environment in the United States and positive earnings trends drove the stock markets to new records in 2024. The S&P 500 closed the year up 23.3% (in USD), marking the second consecutive year of gains in excess of 20%. The US stock market particularly benefited from the strong performance of major technology companies. The yield on 10-year German government bonds rose from 2.02% to 2.37% overall over the course of 2024. At the end of the year, the euro was trading at USD 1.04, having risen to USD 1.12 in August.

Changes in investments

INVESTMENT PORTFOLIO

EUR million



The portfolio of investments for own risk rose significantly by around 6.6% to EUR 144.3 (135.4) billion at the end of 2024. Above all, this was thanks to the positive effects of inflows from operating activities, falling interest rates for euro investments at the medium and longer end and lower risk premiums on corporate bonds. Furthermore, the acquisition of the other Liberty Mutual companies in Chile, Colombia and Ecuador led to an increase in investments (EUR +523 million).

Following the dissolution of Joint HR MR Private Equity GmbH during the financial year and the resulting disposal of the joint venture (EUR –2.0 billion), the fund investments that had been contributed to the joint venture in the past were transferred back to the units to be consolidated, with the result that the portfolio of investment funds recognised at fair value through profit or loss (primarily private equity investments) therefore increased significantly by EUR 3.1 billion to EUR 12.0 (8.9) billion.

Investments for the account and risk of life insurance policyholders rose to EUR 14.1 (12.5) billion.

Debt instruments were again the most significant asset class in the past financial year. Reinvestments were mostly made in this asset class, taking the existing investment structure into account. The asset class contributed EUR 4.1 (3.5) billion to ordinary earnings, with the figure being almost totally reinvested in the reporting period.

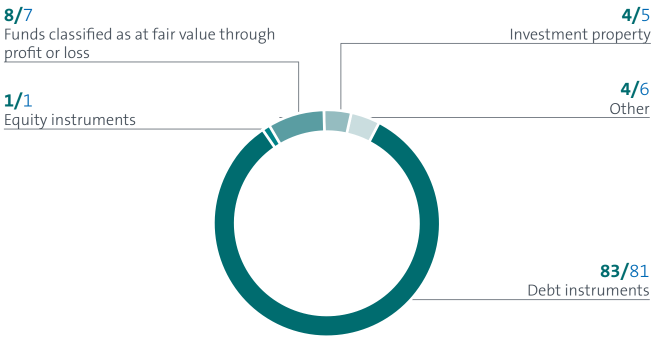
A broad-based system designed to limit accumulation risk resulted in a balanced mix of investments.

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.

The equity allocation ratio after derivatives (equity ratio of listed securities) was 0.8% (1.2%) at the end of the reporting period.

INVESTMENT PORTFOLIO

%



2024/2023

BREAKDOWN OF ASSETS FOR OWN RISK BY ASSET CLASS

EUR million	2024		2,023	
Investment property	6,166	4%	6,230	5%
Shares in affiliated companies and participating interests	683	0%	1,105	1%
Shares in associates and joint ventures	386	0%	2,249	2%
Financial instruments measured at cost	982	1%	954	1%
Financial instruments measured at fair value through other comprehensive income				
Debt instruments	117,007	81%	107,687	80%
Equity instruments	1,167	1%	1,522	1%
Financial instruments at fair value through profit or loss				
Debt instruments	1,328	1%	1,429	1%
Equity instruments	265	0%	322	0%
Derivatives (assets)	364	0%	415	0%
Funds classified as at fair value through profit or loss	12,033	8%	8,906	7%
Short-term investments	1,413	1%	2,233	2%
Investments related to investment contracts	2,174	2%	1,971	1%
infrastructure investments (other investments)	334	0%	366	0%
Investments for own risk	**144,302**	**100%**	**135,390**	**100%**
Derivatives (liabilities)	–245	10%	–276	12%
Liabilities related to investment contracts	–2,188	90%	–1,980	88%
Liabilities related to Investments	**–2,434**	**100%**	**–2,256**	**100%**

Debt instruments

The portfolio of debt instruments rose by EUR 9.2 billion in 2024 to EUR 119.3 (110.1) billion as at the end of the reporting period. At 83% (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.

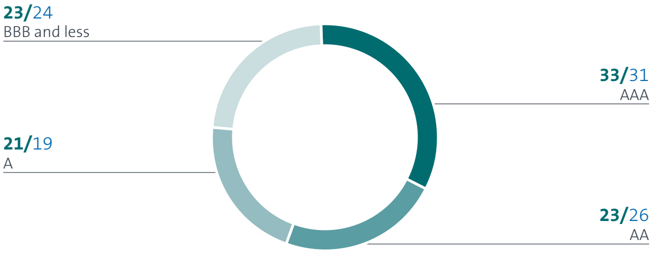
Financial instruments measured at fair value through OCI accounted for 98% (98%) of the total portfolio of debt instruments and increased by EUR 9.3 billion to EUR 117.0 (107.7) billion. Government bonds, corporate bonds, German covered bonds (Pfandbriefe) and other similar bonds accounted for the majority of these investments. Valuation reserves recognised in other comprehensive income – i.e. net unrealised gains and losses – amounted to EUR –10.3 (–10.9) billion. Although the European Central Bank and the US Federal Reserve began to ease monetary policy last year in response to inflationary developments, interest rates at the end of the reporting period were still somewhat higher than at the beginning.

Debt instruments measured at fair value through profit or loss primarily consisted of corporate bonds. Total holdings in debt instruments in this category amounted to EUR 1.3 (1.4) billion as at the end of the year, or 1% (1%) of total holdings in the debt instrument asset class.

Investments made in debt instruments continued to focus on highly rated government bonds or securities from issuers with a similar credit quality as at the reporting date. Holdings of AAA-rated debt instruments amounted to EUR 38.8 (34.5) billion as at the reporting date.

RATING STRUCTURE OF DEBT INSTRUMENTS

%



2024/2023

The Talanx Group pursues a comparatively conservative investment policy. As a result, 77% (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 worse than A–. On a fair value basis, this portfolio amounts to EUR 6.1 (5.7) billion and therefore corresponds to a share of 4.2% (4.2%) of investments for own risk.

Equities and equity funds

As part of diversification, the Talanx Group also invests in equities. As at the end of the reporting period, the value of the equities portfolio declined to roughly EUR 1.1 (1.6) billion. The liquidity from this item was invested in debt instruments in line with our (conservative) investment policy.

The share of equities measured at fair value through OCI with a value of EUR 1,040 (1,519) billion saw a EUR 16 million decrease in net valuation reserves to EUR 172 (188) million. The only slight decline was initially due to a significant reduction in the size of the equity portfolio in the reporting period. The recovery of the stock markets towards the end of the year led to a significant increase in the market value of the remaining portfolio, which partially offset the decline in reserves caused by the reduction in the portfolio. These valuation reserves are recognised in equity and cannot be subsequently recycled to the statement of income. In the reporting period, unrealised gains of EUR 109 million (unrealised losses: EUR –11 million) were attributable to disposals of capital investments in this category.

Real estate including shares in real estate funds

The investment property portfolio totalled EUR 6.2 (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”.

Depreciation of EUR 66 (62) million was recognised on investment property in the reporting period. We have recognised impairment losses of EUR 44 (79) million on selected properties. The net changes in the fair values of investment property measured at fair value amounted to EUR –198 (–255) million in the reporting period.

The 2024 financial year started with a great deal of optimism, which was evident at the beginning of the year from a noticeable upturn in demand. This positive situation deteriorated slightly, which is why the originally forecast transaction volume of EUR 40 billion within Germany was ultimately short by approximately 12.5%, falling to EUR 35 billion by the end of the year. Nevertheless, this figure was slightly higher than in 2023 reporting period. The continued low level of liquidity in the market presented challenges for many stakeholders. Notwithstanding the above, the first signs of a recovery in the investment market are emerging, with a stabilised purchase price situation, a sufficient risk premium and a willingness to take on debt. This is leading to stabilised returns overall. Demand remains focused on the logistics, residential and alternative use asset classes, while large office and portfolio transactions in the core area are lacking. Due to the disparity between supply and demand, the residential asset class attracted the most investment in 2024. The trend towards high-quality office space in prime locations is continuing, as evidenced, in particular, by rising prime rents. In the retail property market, structural problems were overcome and the transaction volume rose slightly. Demand for logistics properties remained strong despite a slowdown in demand for rental space due to the overall economic situation in Germany.

Transaction activity in the major global property markets slowly picked up again (+37% year on year as of Q4 2024), although it remains well below the peak levels of 2022. For this reason, the Group again had to write down the value of some assets in its indirect real estate portfolio in the past financial year. This portfolio consists of over 100 property funds. It is geared towards the long term and is aimed at future capital income and capital appreciation. 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.

Infrastructure investments

Infrastructure projects are a key component of our investments overall. The Talanx Group currently has around EUR 1.8 (1.6) billion invested in direct and indirect infrastructure projects.

Infrastructure investments have proven to be extremely resilient to market movements caused by interest rate changes, 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 equity and debt 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. Infrastructure projects are a key component of our investments overall.

In addition to direct infrastructure projects totalling EUR 0.3 (0.4) billion, we also invest in infrastructure through funds. The Talanx Group's indirect infrastructure portfolio amounts to EUR 1.4 (1.2) billion and is geared toward long-term investment income and capital 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 an increase in market value in 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 and has been carefully built up and continuously refined over decades. It has investments across almost all sectors, with a focus on technology, consumer goods, industry and healthcare. The investments are broadly diversified, with a majority in buyout funds. The Talanx Group invests worldwide, focussing on the United States, Europe and Asia. Thanks to this investment strategy, the private equity portfolio generates a steady stream of investment income for the Group. After the private equity portfolio experienced a slight consolidation in the previous year, with continued moderate but still declining returns, returns increased again in the 2024 financial year and are roughly in line with the 2022 level. The exit environment has improved significantly over the last few quarters since the fourth quarter of 2023. The Asian market remains an exception in this regard, where exit activities continue to prove difficult. By contrast, the lower interest rate level has a positive effect on the expected total return on new investments. Further performance will depend on how interest rates and the prices of publicly traded companies develop. In the medium to long term, we see further potential for value appreciation in the private equity portfolio.

Investment result

CHANGES IN NET INVESTMENT INCOME

EUR million	2024	2,023
Ordinary investment income	5,513	4,788
of which current income from interest	4,074	3,531
of which attributable to profit/loss from shares in associates and joint ventures for using the equity method	47	32
of which current income from investment funds	452	328
of which income from real estate	458	429
of which income from investment contracts	311	240
Realised net gains on disposal of investments	–340	–573
Gain/losses from fair value changes	–117	–166
Expenses from investment contracts	–311	–244
Depreciation on and impairment losses/reversals of impairment losses on investments	–141	–192
Other investment expenses	–724	–378
Net investment income for own risk	**3,880**	**3,235**
Net investment income for the account and risk of life insurance policyholders	1,893	1,414
Net investment income	**5,772**	**4,649**

The **The net investment income for own risk** amounted to EUR 3,880 (3,235) million in the past financial year and was thus higher than the figure in the prior year. The annualised return on investment for investments for own risk increased to 2.8% (2.5%).

Current income from interest increased sharply by EUR 543 million on the prior year to EUR 4,074 (3,531) million. As well as real portfolio growth for our debt instruments, this also reflects higher income from our short-term investments. The lower amortisation result from inflation- linked bonds, which was EUR 212 (245) million in the reporting period, was more than compensated by higher interest income. Investment fund income also increased by EUR 125 million year on year to EUR 452 (328) million. This was largely due to the dissolution of Joint HR MR Private Equity GmbH and the associated retransfer of fund units in consolidated companies.

Total realised net gains on the disposal of investments were higher than the prior-year figure, at EUR –340 (–573) million. This was due to active portfolio shifts in all segments, in part to profit from higher interest rates in the medium term.

The result of changes in fair value was negative at EUR –117 (–166) million at the end of the reporting period, but improved by EUR 49 million compared to the previous year. Particularly in comparison to the previous year, positive changes in market values were seen in our debt instruments and infrastructure investments held via funds. Similarly, the negative changes in the market value of directly held properties were less pronounced than in the previous year. However, offsetting effects arose from changes in the fair value of our derivative financial instruments and of our equity instruments held directly in the portfolio and recognised at fair value through profit or loss.

Total depreciation and amortisation in the reporting period came to EUR 141 (192) million. Of this total, EUR 98 (94) million was attributable to straight-line depreciation, of which EUR 66 (62) million was on directly held real estate and EUR 32 (32) million on infrastructure investments.

In addition to this straight-line depreciation, we recognised impairment losses of EUR 44 (79) million on real estate (see above).

The addition to provisions for expected credit losses (ECLs) to be recognised in accordance with IFRS 9 declined by EUR 21 million to EUR –3 (–24) million through profit or loss.

Other investment expenses increased by EUR 346 million to EUR –724 (–378) million. This increase was primarily due to expenses of EUR 326 million for the payment of challenged additional tax assessments in connection with investment-related risks.

Net income from **investments for the account and risk of life insurance policyholders**, which is attributable exclusively to policyholders, improved by EUR 478 million to EUR 1,893 (1,414) million thanks to positive capital market developments. The offsetting item can be found under net insurance financial result with the inverse sign.

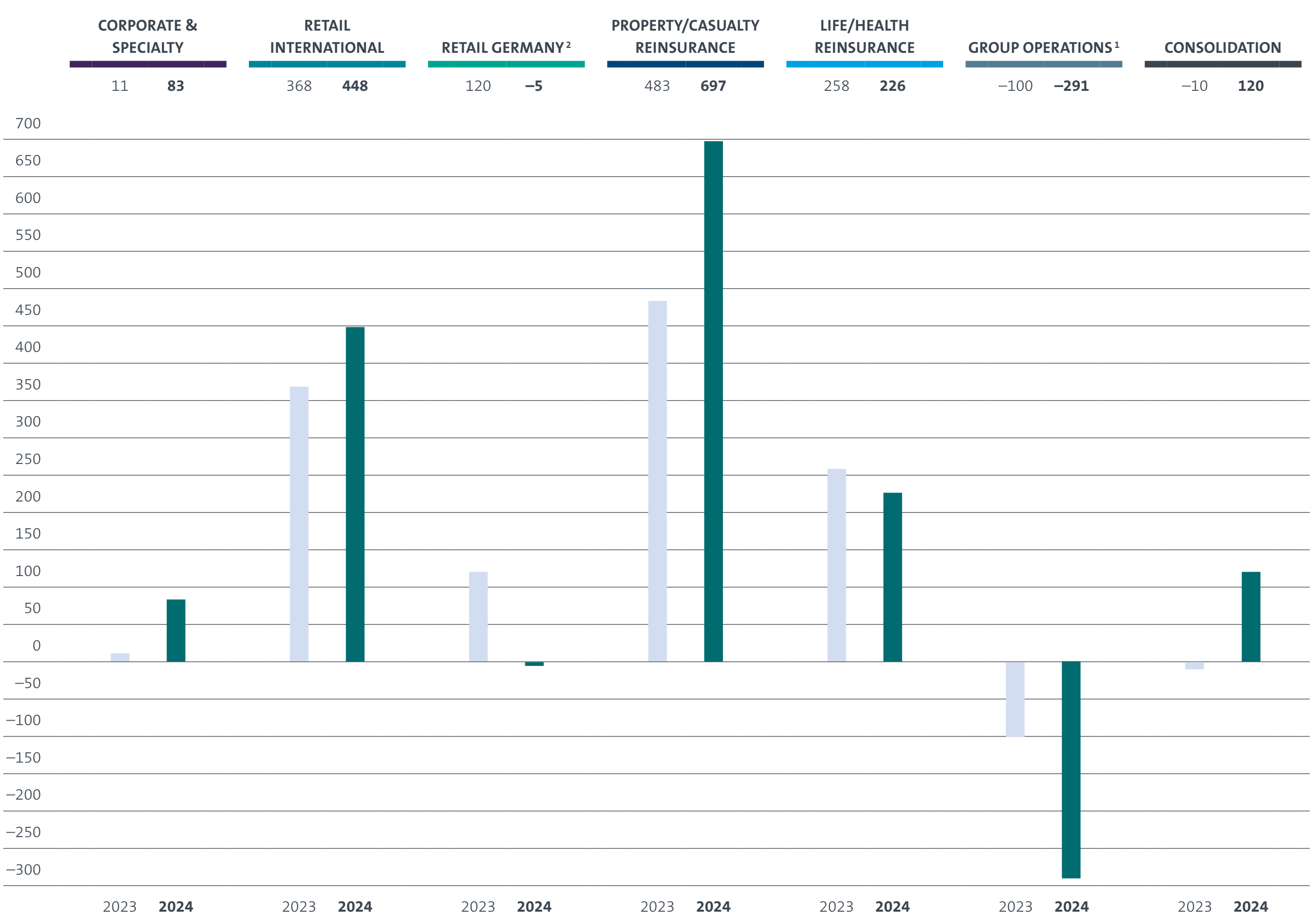
Net insurance financial and investment result before currency effects

As well as the EUR 645 million increase in net investment income from investments for own risk to EUR 3,880 (3,235) million, income from unit-linked insurance contracts attributable to policyholders also improved by EUR 478 million. Total net investment income thus rose to EUR 5,772 (+4,649) million. By contrast, the net insurance financial result before currency effects decreased by EUR 975 million to EUR –4,494 (–3,519) million. This decline was due to the increased expense of EUR 308 million from the interest accrued on insurance obligations (EUR –1,597 million; 31 December 2023: EUR –1,289 million) and the EUR 666 million higher policyholder participation in the positive investment income, including the result from unit-linked life insurance (EUR –2,897 million; 31 December 2023: EUR –2,230 million).

Overall, the net insurance financial and investment result before currency effects thus increased by EUR 148 million to EUR 1,278 (1,130) million.

Further information can be found in Note 28 Net investment income and Note 27 Net insurance financial result in the Notes to the consolidated statement of income.

NET INSURANCE FINANCIAL AND INVESTMENT RESULT BEFORE CURRENCY EFFECTS



[1] It is primarily the investment expenses of Ampega companies that are recognised in the Group Operations segment.
[2] The two segments Retail Germany – Property/Casualty and Retail Germany – Life were combined into a single Retail Germany segment for the purpose of standardised control based on the resolution of the Board of Management dated 7 October 2024.

Currency effects

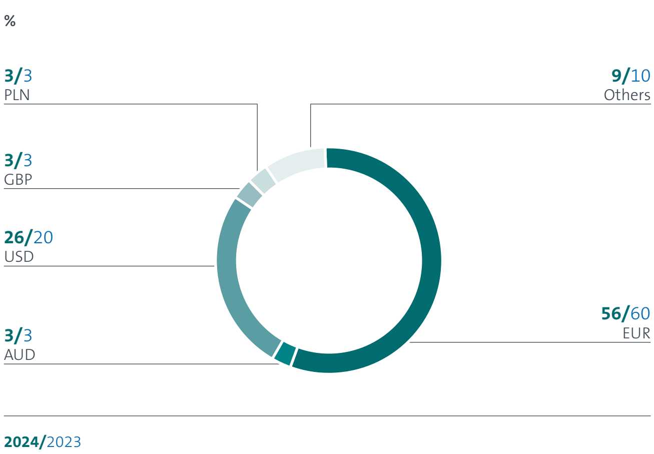
Given the international nature of the insurers in the Group, which is a result of our business model, there are currency-related interdependencies between our assets, liabilities and financial position.

As a general rule, our international insurers receive payments and pay claims in their respective national currencies. This means that assets are also held in foreign currencies (currency matching). Please see the disclosures in our risk report for further details. For the purposes of the consolidated financial statements, the exchange rates for key currencies are presented in the "Summary of significant accounting policies – Exchange differences on translating foreign operations" section of the Notes.

With a view to matching currencies, investments in US dollars account for the bulk of the foreign currency portfolio within the Talanx Group at 26% (20%), and this percentage is growing. In addition, larger positions are held in British pound sterling, Polish zloty and Australian dollars, which together account for 9% (9%) of all investments. The total share of investments for own risk in foreign currencies was 44% (40%) as at the end of the reporting period.

Our investments for own risk comprise the following currencies:

INVESTMENTS



Financial position

Capital structure analysis

- Equity was up by EUR +1.7 billion on the prior year at EUR 18.5 billion
- Insurance contract liabilities rose by EUR 9.1 billion to EUR 139.3 billion

CAPITAL STRUCTURE

EUR million	2024		2023[1]	
Equity	18,495	10%	16,793	10%
Subordinated liabilities	4,487	2%	5,262	3%
Insurance contract liabilities	139,315	77%	130,264	77%
Reinsurance contract liabilities	714	0%	737	0%
Other provisions	4,354	2%	3,573	2%
Liabilities	11,017	6%	9,600	6%
Deferred tax liabilities	2,014	1%	2,271	1%
Liabilities included in disposal groups classified as held for sale	23	0%	25	0%
Total equity and liabilities	**180,419**	**100%**	**168,525**	**100%**

[1] Adjusted in accordance with IAS 8, see also the "Accounting policies" section of the Notes.

Significant changes in the capital structure

Overall, net technical provisions (i.e. the balance of assets and liabilities from insurance/reinsurance contracts) rose by 6.4% or EUR 7.8 billion year on year to EUR 130.7 (122.9) billion. This increase related to the liability for incurred claims (EUR +5.2 billion) and the liability for remaining coverage (EUR +2.6 billion). The increase in the liability for incurred claims essentially results from the Property/Casualty Reinsurance and Corporate & Specialty segments, while the increase in the liability for remaining coverage essentially results from the Retail Germany and Life/Health Reinsurance segments. The technical provisions shown are comfortably covered by our investments.

The Group's contractual net service margin rose by EUR 0.7 billion to EUR 11.4 (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 8.2 (7.7) billion of the contractual service margin was attributable to the Reinsurance Division and EUR 2.9 (2.6) billion to the Retail Germany Division.

Liabilities included in disposal groups classified as held for sale amounted to EUR 23 million at the end of the reporting period, with EUR 22 million of this amount being attributable to liabilities in an insurance portfolio in the Corporate & Specialty segment.

Off-balance-sheet transactions

Information on contingent liabilities can be found in the "Other disclosures – contingent liabilities and other financial commitments" section of the Notes.

Asset/liability management (ALM)

The structure of our technical provisions and other liabilities is at the heart of the Group's investment strategy. The focus here is on asset/liability management – as far as possible, investment-market induced changes in the value of our investments should match the changes in our technical liabilities and should meet our liability-side requirements. This keeps our exposures stable in the face of capital market volatility.

In line with this, we mirror key features of our liabilities such as their maturity, currency structure and sensitivity to inflation, by investing where possible in assets that behave in a similar way. For further information, please also see our disclosures in the risk report on page 198 ff.

The effective duration of the Talanx Group's portfolio of debt instruments is 6.4 (6.9) as at the end of the reporting period. Effective duration is a measure of the interest rate sensitivity of the present value of assets/ liabilities that takes the options into account. The larger the value, the greater the interest rate sensitivity is. Within the individual segments, duration is managed in line with underwriting business requirements, as described above. For example, the effective duration of the investments in the Retail Germany Division at 10.8 (11.3) years is relatively long compared with that of the Corporate & Specialty Division at 4.2 (4.0) years. This reflects the particular length of the capital commitment period in the case of life insurance products. The insurance providers and Ampega Asset Management GmbH liaise regularly to coordinate asset-side duration and liability-side requirements.

We also use derivative financial instruments to manage our assets as effectively as possible. For further information, please see Note 14 in the Notes to the consolidated balance sheet.

Capital management process

CAPITAL MANAGEMENT PROCESS

ENSURE TRANSPARENCY OF ACTUAL CAPITALISATION LEVELS → DETERMINE CAPITAL REQUIREMENTS → OPTIMISE CAPITAL REQUIREMENTS → OPTIMISE CAPITAL STRUCTURE → IMPLEMENT CAPITALISATION MEASURES

Effective, efficient capital management is a core component of the Group's integrated management tools for the optimisation of capital employed. In doing so, we differentiate between the HDI Group's regulatory perspective and the Talanx Group's economic perspective. We distinguish between the following capital concepts:

- Basic own funds
- Solvency capital required

The term "basic own funds" refers to the economic capital available in a business unit. These funds represent the surplus of assets over liabilities in the solvency balance sheet. They differ from equity under the IFRSs (adjusted for intangible assets) in that they disclose unrealised gains and losses on assets or liabilities after taxes, hybrid capital and surplus funds. For regulatory purposes, the HDI Group uses the concept of "eligible own funds". In particular, these differ from the Talanx Group's basic own funds in that they include HDI V. a. G.'s own funds and deduct the basic own funds in excess of the solvency capital required that are attributable to non-controlling interests ("haircut").

Solvency capital required is the amount of capital needed to operate the insurance business. It is calculated for supervisory purposes (Solvency 2) using a confidence level of 99.5% for a one-year period. In the case of the HDI Group, the capital required for this purpose is determined using the approved internal capital model. The Talanx Group's solvency capital required differs from that of the HDI Group in that it accounts for pension plans differently and excludes HDI V. a. G. on account of the different consolidated group.

The ratio of basic own funds to solvency capital required is an indicator of capital adequacy. The confidence level applied under the Talanx Group's risk strategy exceeds the level required by supervisory law (confidence level of 99.5%, 200-year shock).

The target corridor without transitional measures defined for the HDI Group's Solvency 2 ratio for supervisory law purposes is between 150% and 200%. The Talanx Group's minimum capital adequacy target from an economic perspective is 200%.

Talanx's primary capital management objective is to protect its financial strength and enhance its capital efficiency. In line with this, the Talanx Group systematically allocates capital in accordance with risk/return considerations and its target portfolio, above and beyond meeting its statutory and, as a secondary consideration, rating agencies' capital requirements (Standard & Poor's capital model requirements for an "AA" rating). Unneeded capital or liquidity is transferred to the holding company wherever possible. For example, if individual companies are significantly overcapitalised, capital management aims to systematically reduce the free excess capital and reinvest it more efficiently elsewhere within the Group. Our stated aim is to use our capital as efficiently as possible while at the same time ensuring excellent capital adequacy levels.

By optimising the Group's capital structure, our capital management activities safeguard our capital resources, both from a ratings standpoint and from a solvency and economic perspective. Furthermore, they ensure that sustainable dividends are generated for shareholders, in keeping with Talanx's strategy. Going forward, our capital structure must continue to let us respond to organic and external growth opportunities at both Group and division level, and to offer the certainty that volatility on the capital markets and in the insurance business can be absorbed without undershooting our target confidence level. Talanx's efficient management of its capital resources is a strong signal to existing and potential investors that it uses the capital made available to it responsibly. Talanx AG monitors its subsidiaries' capital resources with the utmost diligence as part of its Group-wide capital management activities.

Another core objective is the judicious substitution of equity surrogates such as hybrid capital for equity, which has a positive impact on the Group's capital structure.

Equity

Equity ratio and return on equity

The equity ratio, defined as the ratio of total equity to total assets, and the return on equity changed as follows:

CHANGES IN THE EQUITY RATIO

EUR million	2024	2023[1]
Total equity	18,495	16,793
of which non-controlling interests	6,834	6,347
Total assets	180,419	168,525
Equity ratio	10.3%	10.0%

[1] Adjusted in accordance with IAS 8, see the "Accounting policies" section of the Notes.

RETURN ON EQUITY

EUR million	2024	2023
Group net income[1]	1,977	1,581
Return on equity[2]	17.9%	16.6%

[1] Net income excluding non-controlling interests.
[2] Ratio of net income excluding non-controlling interests to average equity excluding non-controlling interests.

Changes in equity

Equity rose by EUR 1,702 million – up 10% – to EUR 18,495 (16,793) million as at the end of the reporting period.

Group equity (equity excluding non-controlling interests) rose by EUR 1,214 million to EUR 11,661 (10,447) million at the end of the reporting period compared to 31 December 2023. This increase was partially due to net income, EUR 1,977 (1,581) 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) increased by EUR –88 million to EUR –699 million in comparison to 31 December 2023. The change in other reserves essentially reflects the positive change in unrealised gains on investments (EUR +389 million) and the opposite effect from the change in insurance finance income/expenses from insurance contracts issued (EUR –482 million).

Non-controlling interests increased by EUR 487 million (7.7%) to EUR 6,834 million. Net income attributable to non-controlling interests in the reporting period amounted to EUR 1,307 (964) million. The dividend payment to non-Group shareholders of EUR 530 (432) million mainly related to the Hannover Re Group. In addition, the anticipated acquisition of the shares held by Meiji Yasuda Life Insurance, Tokyo, Japan, in Towarzystwo Ubezpieczeń i Reasekuracji Warta S.A., Warsaw, Poland, and Towarzystwo Ubezpieczeń Europa S.A., Wrocław, Poland, reduced the share of non-controlling interests in equity by EUR 440 million.

EQUITY BY DIVISION INCLUDING NON-CONTROLLING INTERESTS

EUR million	31.12.2024	31.12.2023
Division		
Corporate & Specialty	3,021	2,664
of which non-controlling interests	—	—
Retail International	3,132	3,211
of which non-controlling interests	38	422
Retail Germany	1,587	1,527
of which non-controlling interests	31	65
Reinsurance	12,631	10,981
of which non-controlling interests	6,845	5,982
Group Operations	–1,767	–1,419
of which non-controlling interests	—	—
Consolidation	–109	–169
of which non-controlling interests	–81	–122
Total equity	**18,495**	**16,793**
Group equity	11,661	10,447
Non-controlling interests	6,834	6,347

The negative figure reported by the Group Operations segment reflects Talanx AG’s leverage. As the Group holding company, Talanx AG is responsible for Group financing in the area of primary insurance and for the companies in the Group Operations segment. In addition to increasing the holding company function, acquiring the reinsurance license in 2019 also expanded underwriting business, although the volume of this is not currently enough to offset the financing effects. The associated liabilities mainly relate to two subordinated bonds totalling EUR 1,247 (1,996) million, provisions for pensions of EUR 827 (876) million, notes payable of EUR 2,485 (1,746) million, liabilities from insurance contracts issued of EUR 1,295 (1,135) million and provisions for taxes of EUR 152 (78) million. These liabilities are matched on Talanx AG’s balance sheet by liquid assets, assets from reinsurance contracts held, tax refund claims and, above all, the carrying amounts of its interests in its subsidiaries, which are eliminated against the proportionate equity for the latter in the consolidated financial statements.

Changes in unrecognised valuation reserves

The unrecognised valuation reserves shown in the following table have not been adjusted for technical liabilities. At EUR 0.6 (0.6) billion, valuation reserves are essentially attributable to investment property measured at amortised cost. Please refer to the information under “Notes to the consolidated balance sheet” concerning “Investment property”, “Financial instruments measured at cost”, “Fair value hierarchy – financial instruments”, “Other assets”, “Subordinated liabilities” and “Notes payable and loans”.

EQUITY AND UNRECOGNISED VALUATION RESERVES

EUR billion	2024	2,023
Group equity	18.5	16.8
Unrecognised valuation reserves before taxes and non-controlling interests	0.8	0.9

Liquidity and financing

Talanx AG’s cash inflows are primarily derived from dividends and profit and loss transfers from subsidiaries, as well as from equity and debt raised on the capital market. When coordinating capital requirements for the Talanx Group and the individual divisions, one of Talanx AG’s core tasks is to optimise the Group’s access to liquidity while minimising financing costs. Regular liquidity planning and an investment strategy aligned with liquidity requirements ensured that the Group was able to meet its payment obligations at all times. Moreover, a number of current account arrangements provide reliable access to internal Group funds, further enhancing the financial flexibility of both Talanx AG and the Talanx Group.

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%.

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 end of the reporting period. These had not been drawn down as at the end of the reporting period.

The subordinated loan from HDI Assicurazioni S. p. A. with a nominal value of EUR 27 million and an interest rate of 5.5% was repaid in full during the financial year.

In addition to the funds resulting from the changes in equity described above and borrowing, we can also use our assets to cover provisions and liabilities. Various credit institutions have furnished us with guarantees in the form of letters of credit as surety for our technical liabilities. Further information on our liquidity management can be found in the “Liquidity risk” section of the risk report.

Debt analysis

Our subordinated bonds and other debt instruments are used to supplement our equity so as to optimise our cost of capital, and help to maintain adequate liquidity at all times. The following table provides an overview of the amortised costs of our borrowings.

CHANGES IN DEBT

EUR million	2024	2,023
Subordinated bonds issued by Talanx AG	1,247	1,996
Subordinated bond issued by Hannover Rück SE	3,183	3,180
Subordinated loans taken out by HDI Assicurazioni S. p. A.	45	73
Subordinated loans HDI Global SE	13	13
Notes payable issued by Talanx AG	2,485	1,746
Notes payable issued by Hannover Rück SE	748	747
Mortgage loans taken out by HR GLL Central Europe GmbH & Co. KG	180	206
Mortgage loans taken out by Hannover Re Real Estate Holdings, Inc.	188	206
Loans from infrastructure investments	28	54
Mortgage loans taken out by Real Estate Asia Select Fund Limited	214	217
KOP4 GmbH & Co. KG mortgage loans	39	44
Hannover Rück SE loans	—	138
E+S Rückversicherung AG loans	—	31
Other	—	6
Total	**8,370**	**8,657**

Further information on borrowing and changes to it can be found in Note 17 and Note 22 of the "Notes to the consolidated balance sheet".

Analysis of the consolidated cash flow statement

The Group's cash flow is largely determined by its business model, which is typical for a primary insurance and reinsurance undertaking. We generally receive premiums in advance for risks we have taken on and only make payments later on in the event of a claim. Funds are parked in interest-bearing investments until they are needed so as to earn regular income. We therefore do not regard the cash flow statement as a substitute for liquidity planning or financial planning, and nor do we use it as a management tool.

CASH FLOW SUMMARY

EUR million	2024	2,023
Cash flows from operating activities	8,431	8,095
Cash flows from investing activities	–6,794	–5,029
Cash flows from financing activities	–1,584	–1,485
Net change in cash and cash equivalents	53	1,582

Cash flows from operating activities are characterised chiefly by changes in cash flow from the insurance business and investment income, such as interest and dividends received. The increase reflects good operating business performance.

Cash outflow from investing activities was determined primarily by the purchase of financial instruments and cash inflow from the sale and maturity of financial instruments – in accordance with the company's investment policy, with particular emphasis on matching the currencies and maturities of technical liabilities.

Cash flows from financing activities were impacted primarily by dividend payments for the last financial year, interest paid on borrowings and the balance from taking up and repaying non-current liabilities, primarily bonds, in the reporting period.

Cash and cash equivalents, which include cash at banks, cheques and cash-in-hand, and which also represent the total cash flows from operating activities, investing activities and financing activities, increased by EUR 0.1 billion overall year on year to EUR 5.2 (5.1) billion.

Group ratings

The Talanx Group and its companies again received very good ratings from international rating agencies Standard & Poor's (S&P) and AM Best in the reporting year. Generally, a distinction must be made between insurer financial strength ratings and issuer credit or counterparty credit ratings. The former primarily assess a company's ability to meet obligations to policyholders, while the latter rate its general credit quality.

Insurer Financial strength ratings

At the end of the reporting period, AM Best confirmed the Primary Insurance Group's financial strength rating, at A+ ("superior"). The systematic progress that the Group has made in recent years in terms of its increasingly diversified earnings power and risk management culture was cited as a key factor in this regard. The outlook is still rated "stable". AM Best has also reaffirmed the Hannover Re subgroup's A+ ("superior") financial strength rating and stable outlook. The rating agency justified the continuing very high rating on the grounds of its healthy earnings situation and excellent capitalisation.

S&P also left the ratings of the subgroups Talanx Primary Insurance Group and Hannover Re unchanged relative to the previous year, along with the "stable" outlook. The financial strength rating for the Primary Insurance Group and its core companies was confirmed at A+, with S&P attesting to the Talanx Primary Insurance Group's particularly strong financial risk profile. S&P also confirmed Hannover Re's rating of AA–, an extremely strong assessment compared to competitors. The S&P financial strength ratings for the individual subsidiaries also remained stable in the reporting period, and were therefore unchanged. After the end of the reporting period, S&P upgraded the financial strength rating of the Talanx Primary Insurance Group by one level from A+ to AA– on 5 February 2025. The rating agency justified its decision by citing, in particular, the increasing diversification of earnings across business classes and regions. The outlook remains stable. The Group's financial strength ratings are now as follows:

FINANCIAL STRENGTH RATINGS FOR THE GROUP AND ITS SUBGROUPS

	Standard & Poor's		AM Best	
	Rating	Outlook	Rating	Outlook
Talanx Group [1]	—	—	A+	Stable
Talanx Primary Insurance Group [2]	AA–	Stable	—	—
Hannover Re subgroup [3]	AA–	Stable	A+	Stable

[1] Definition used by AM Best: "HDI V. a. G. and its rated insurance subsidiaries".
[2] Subgroup of primary insurers including HDI V. a. G.; definition: "Talanx Primary Insurance Group". Corresponds to the Corporate & Specialty, Retail Germany and Retail International Divisions, including Talanx AG.
[3] Hannover Rück SE and its major core companies; corresponds to the Talanx Group's Reinsurance Division.

Issuer credit ratings

AM Best also confirmed Talanx AG's issuer credit rating at the end of the reporting period. Talanx AG's issuer credit rating thus remains aa– with a "stable" outlook. Similarly, S&P left Talanx AG's issuer credit rating unchanged at A+, outlook "stable", in the reporting period; in the context of the upgrade of the financial strength rating, this was also raised to AA– with a stable outlook on 5 February 2025. This means that the rating agencies still consider Talanx AG's credit quality to be good (S&P) or excellent (AM Best).

ISSUER CREDIT RATINGS

	Standard & Poor's		AM Best	
	Rating	Outlook	Rating	Outlook
Talanx AG	AA–	Stable	aa–	Stable
Hannover Rück SE	AA–	Stable	aa	Stable

In addition, there are various issuer ratings for bonds issued and/or guaranteed by Talanx AG. These ratings and all other issuer ratings for the bonds and loans issued by Group companies are listed in the Notes to the consolidated financial statements in Note 17 Subordinated liabilities and Note 22 Notes payable and loans.

The financial strength ratings for our primary insurance subsidiaries can be found on Talanx AG's website, while detailed information about the ratings for Hannover Re and its subsidiaries is on Hannover Rück SE's website (www.hannover-re.com).

Talanx AG (condensed version in accordance with the HGB)

The annual financial statements and the management report for financial year 2024, in the version in force as at the reporting date, were prepared in accordance with the provisions of the German Commercial Code (HGB), the German Stock Corporation Act (AktG), the German Insurance Supervision Act (VAG) and the German Regulation on the Accounting of Insurance Undertakings (RechVersV).

Talanx AG – as a listed financial and management holding company – is responsible for managing the Group's subsidiaries. The Talanx statement of income is thus also shaped by income and expenses in connection with its affiliated companies and long-term equity investments. In addition, Talanx AG essentially underwrites property/casualty risks from Group companies as a reinsurer.

Net income for the financial year in accordance with HGB is a key management metric for Talanx AG as the distributable dividends are measured in accordance with net income for the financial year under HGB.

Financial performance

STATEMENT OF INCOME (HGB)

EUR million	2024	2023
Technical account		
Net income before equalisation reserve	–0	–33
Change in equalisation reserve and similar reserves	–48	–30
Underwriting result for own account	**–49**	**–63**
Non-technical reserve		
Income from investments	1,441	1,029
Investment expenses	2	45
Other income	45	45
Other expenses	504	213
Non-underwriting result	**980**	**817**
Result from ordinary activities	**932**	**754**
Taxes	92	11
Net income for the financial year	**840**	**743**

The underwriting result before the equalisation reserve came to EUR –0 (–33) million in the reporting year. After a high level of losses in 2023, Talanx AG recorded significantly lower large losses in the reporting period. The largest loss events included flood damage in Eastern Europe at EUR 16 million and flooding in Brazil at EUR 11 million.

Performance in lines of business

INSURANCE BUSINESS AS A WHOLE

	2024		2023	
EUR million	Gross	Net	Gross	Net
Written premiums	1,447	341	1,618	457
Premiums earned	1,426	328	1,578	424
Expenses on insurance claims	921	295	1,069	346
Expenses for insurance operations	248	28	357	108
Underwriting result for own account	196	–49	112	–63
%				
Expense ratio	64.6	90.0	67.7	81.5
Cost ratio	17.4	8.6	22.6	25.4
Combined ratio	82.0	98.6	90.4	106.9

GROSS PREMIUMS BY LINE OF BUSINESS

	2024		2023	
	EUR million	%	EUR million	%
All risk insurance	646	44.7	618	38.2
Engineering insurance	194	13.4	291	18.0
Other insurance	154	10.7	207	12.8
Liability insurance	122	8.5	161	9.9
Fire insurance	179	12.4	149	9.2
Motor vehicle insurance	97	6.7	104	6.4
Casualty insurance	3	0.2	56	3.4
Marine and aviation insurance	51	3.5	32	2.0
Total	**1,447**	**100.0**	**1,618**	**100.0**

All-risk insurance

Gross premium income for all-risk insurance came to EUR 646 (618) million, representing 44.7% (38.2%) of total premiums. As well as higher participation in contracts, the year-on-year rise resulted from price increases in reinsurance contracts in what continued to be a tough reinsurance market. The gross loss ratio fell to 18.5% (40.8%) due to a reduction in the level of claims and a positive run-off result. The gross underwriting result was EUR 339 (226) million. The positive gross underwriting result in this line was shaped by the lack of relevant large losses.

Engineering insurance

A total of 13.4% (18.0%) or EUR 194 (291) million of gross premiums can be attributed to engineering insurance. This reduction in premiums was triggered by a significant year-on-year decline in the follow-up premium. The engineering insurance line reported an improved claims situation compared to the previous year, which led to a reduction in the gross underwriting loss to EUR –21 (–68) million. The gross loss ratio was 86.1% (99.1%).

Other insurance

Other insurance mainly comprises the other non-life insurance and other property insurance lines, which include the comprehensive householders, storm and legal protection classes. At EUR 154 (207) million, other insurance accounted for 10.7% (12.8%) of gross premiums. Due to several flood losses, the gross loss ratio declined significantly to 132.0% (75.9%), and the gross underwriting result amounted to EUR –92 (–9) million.

Liability insurance

The share of gross premiums generated by liability insurance was 8.5% (9.9%). Gross premium income fell by 24.2% from EUR 161 million in 2023 to EUR 122 million in the reporting period. In the previous year, a renewal premium had significantly increased gross premium income, but there was no such effect in the reporting period. The gross loss ratio rose to 103.1% (73.9%) in 2024 due to additional reserves and led to a gross underwriting result of EUR 3 (30) million.

Fire insurance

Gross premiums for fire insurance totalled EUR 179 (149) million, which corresponded to a share of 12.4% (9.2%). The rise in gross premiums compared to the prior year essentially reflects an increase in the share of gross business attributable to long-term equity investments. The gross loss ratio was 98.5% (106.1%), while the gross underwriting result totalled EUR –26 (–38) million.

Motor insurance

Gross premiums for motor insurance totalled EUR 97 (104) million, which corresponded to a share of 6.7% (6.4%). The gross loss ratio increased to 92.9% (81.9%), with a gross underwriting result of EUR –23 (–10) million.

Non-insurance business

The balance of income and expenses from investments increased to EUR 1,439 (984) million. Net income from long-term equity investments included in this, resulting from income from long-term equity investments and income from profit and loss transfers from our subsidiaries, rose to EUR 1,342 (945) million in the financial year. HDI Global SE reported a profit transfer of EUR 412 (128) million, HDI International AG of EUR 161 (165) million and HDI Deutschland AG of EUR 233 (214) million. Furthermore, higher income was generated from other investments, in particular interest income from loans to affiliates.

The balance of other income and expenses in the reporting period amounted to EUR –459 (–167) million and included indemnities for expenses from additional tax assessment notices in the amount of EUR 247 (–) million against life insurance companies in the Group in connection with risks from capital investments.

Net income for the financial year rose year-on-year to EUR 840 (743) million. After adding in the retained profit brought forward of EUR 794 (658) million, the distributable profit amounted to EUR 1,634 (1,401) million. The proposal for the appropriation of the distributable profit can be found in the Notes to the Group Annual Report.

Assets and liabilities

BALANCE SHEET STRUCTURE – ASSETS (HGB)

EUR million	31.12.2024	31.12.2023
Investments in affiliated companies and other long-term equity investments	10,443	9,831
Other investments	854	840
Funds withheld by ceding companies from business ceded for reinsurance	30	45
Receivables	1,698	1,461
Other assets	372	553
Total assets	**13,398**	**12,730**

As in previous years, Talanx AG's balance sheet is shaped predominantly by its role as a holding company and, on the assets side, largely by its long-term equity investments in its subsidiaries, which are denominated in euros. The reinsurance business was also reflected in individual balance sheet items. Total assets rose by 5.2% to EUR 13,398 (12,730) million. Investments in affiliated companies and long-term equity investments increased to EUR 10,443 (9,831) million, in particular due to increased shares in affiliated companies. The funds came from a reduction in short-term overnight money and term deposits as well as current account balances at banks, among other things. Other investments increased slightly to EUR 854 (840) million, as investments in fixed-interest securities and bearer bonds were increased in return for the reduction in short-term overnight and fixed-term deposits. Receivables increased to EUR 1,698 (1,461) million, in particular due to higher receivables from profit and loss transfer agreements with subsidiaries. Other assets in the reporting period included lower current account balances with credit institutions.

BALANCE SHEET STRUCTURE – EQUITY AND LIABILITIES (HGB)

EUR million	31.12.2024	31.12.2023
Equity	6,567	6,334
Subordinated liabilities	1,250	2,000
Technical provisions	1,129	852
Other provisions	1,201	1,140
Other liabilities	3,251	2,404
Total equity and liabilities	**13,398**	**12,730**

Talanx AG's capital structure and the composition of its liabilities primarily reflect its role as a holding company, a role which has been expanded to include the reinsurance business assumed in 2019. Equity amounted to EUR 6,567 (6,334) million. The increase of EUR 233 million resulted from the increase in distributable profit.

Subordinated liabilities decreased to EUR 1,250 (2,000) million due to the repayment of a credit line to HDI Haftpflichtverband der Deutschen Industrie V.a.G.

Technical provisions increased to EUR 1,129 (852) million in the financial year, primarily due to the higher level of the loss and loss adjustment expense reserve. Other provisions were on par with the prior year at EUR 1,201 (1,140) million.

The increase in other liabilities to EUR 3,251 (2,404) million resulted primarily from a bond issued in April 2024 with a total value of EUR 750 million.

Financial position

Liquidity planning – which is performed by the Accounting department at least once a month – ensures that Talanx AG can meet its payment obligations at all times. This is flanked by an investment strategy that is aligned with liquidity requirements.

Talanx AG's main inflows of funds come from profit and loss transfer agreements with affiliated companies, income from participating interests, underwriting premium income and interest income from loans. The Group Controlling & Finance and Cash Management departments liaise regularly on expected liquidity flows during liquidity planning. The Company mainly uses its funds to make interest and principal repayments on liabilities, to pay dividends and for underwriting payments. Additionally, activities associated with acquiring or selling companies can lead to short-term inflows and outflows of liquidity.

On the basis of a cooperation agreement concluded with HDI Haftpflichtverband der Deutschen Industrie V.a.G. in 2021, Talanx AG is able to sell to this entity subordinated bonds with a maturity of five years and a total value of up to EUR 750 million on a revolving basis. This right to sell was exercised in 2024 until mid-April. The full amount of EUR 750 million was utilised in order to acquire Liberty Mutual Insurance, Inc.

Furthermore, Talanx AG had already secured a financing package with a total value of EUR 1,250 million in 2022. The bonds with identical conditions comprise one senior unsecured bond with a value of EUR 500 million, rated A+ by the rating agency Standard & Poor's. It was widely sold to institutional investors from Germany and abroad. On the other hand, HDI Haftpflichtverband der Deutschen Industrie V.a.G. simultaneously issued a bond with a total value of EUR 750 million. The two bonds denominated in euros mature on 25 October 2029. In May 2024, the Company also took out a credit line with a banking syndicate with a nominal value of EUR 250 million. This line of credit remained unused in 2024.

The Company focuses on long-term reliability and capital strength when selecting lenders. Ampega Asset Management GmbH is responsible for ongoing monitoring of lenders' capital strength.

Targets in accordance with sections 76(4) and 111(5) of the AktG

With regard to targets for the proportion of women on the Board of Management and in the next two management levels below Talanx AG's Board of Management in accordance with sections 76(4) and 111(5) AktG, please see our comments in the Corporate Governance Statement in accordance with sections 289f and 315d HGB in the Corporate governance section of this report.

Remuneration report

The principles and structure of remuneration for the Talanx AG Board of Management and Supervisory Board are described in the remuneration report. The remuneration report provides information about individual remuneration for members of Talanx AG's Board of Management and Supervisory Board for their work for the Talanx Group in the financial year 2024. In addition to remuneration components relating to work for Talanx AG, the amounts shown also include remuneration for work performed for the companies consolidated in the Talanx Group.

Risk report

Talanx AG as a single entity is largely characterised by its features as a listed company, as a holding company and as an internal reinsurance company. It centralises the reinsurance needs of the primary insurers at holding company level in order to be able to utilise group-wide diversification effects. In this context, it directly or indirectly writes both proportional and non-proportional reinsurance treaty business of the primary insurance companies of the Talanx Group. As the holding company of a Group offering primary and reinsurance and financial services, Talanx AG's business performance is subject to the same risks as that of the Talanx Group. Talanx AG's earnings, and hence its risk, are mainly determined by its income from long-term equity investments and by profit and loss transfers from the individual companies. Talanx AG shares the risk associated with its long-term equity investments and subsidiaries firstly in proportion to its long-term equity interests in them and secondly via intragroup reinsurance. The risks to which the subsidiaries and Talanx AG itself are exposed are influenced, in particular, by the increased macroeconomic uncertainty and associated medium-term stability risks in the financial system.

Global inflationary pressure continued to ease over the past year, without inflation rates returning to their pre-COVID 19 levels. In the eurozone, the inflation rate stood at 2.5% in the middle of last year. However, the sharp decline of around eight percentage points from the 2022 high gave the ECB enough confidence to initiate a cycle of interest rate cuts from June onwards in the face of weak economic growth in the eurozone.

A downside risk is that a resurgence in inflation could prompt central banks to end their interest-rate cut cycles and consider raising base rates again in the course of 2025. The question of the sustainability of the debt, which has grown considerably in recent years, is not only likely to come up in the United States this year. In Europe, possible additional fiscal support in response to US policy would pose an upside risk to our growth outlook. In addition, a number of structural risks remain, including climate change, the stability of the Chinese economy and demographic change. Another key downside risk to the global economic outlook is the future trade policy of the United States and the associated countermeasures and diversion effects that could arise in the international exchange of goods. Potential risks also exist in the face of unpredictable US politics, not to mention various geopolitical flashpoints (including Greenland, Israel, Ukraine and China/Taiwan). At the same time, these conflicts also harbour significant upside risks if lasting solutions can be found. To add to this, however, many countries (including France and Germany) are facing (potentially) more unstable coalition governments.

In Latin America, such as Brazil, Chile, Mexico and Colombia, we are experiencing increasing frequency and severity of natural disasters; we are also experiencing pressure on prices in the area of property and motor vehicle insurance as well as more restrictive reinsurance conditions. Regulatory uncertainties also pose a significant challenge. The resulting risks are continuously monitored and we take appropriate measures to respond to them where necessary.

Potential breaches of sanctions in the context of dynamic developments pose fundamental risk potential. Appropriate risk mitigation measures are being taken, such as continuously monitoring sanctions lists and sharing relevant information with relevant operating areas.

As an intragroup reinsurer, we work in close collaboration with the Talanx Group primary insurers. This ensures that we closely monitor the overall risk situation and ensure optimal collections from retrocessionaires. Counterparty risk is strictly monitored with regard to the selection of retrocessionaires. Existing business relations with reinsurers are also regularly assessed in terms of the counterparty risk in accordance with Group-wide guidelines. We are also in direct, permanent contact with our reinsurance partners and reinsurance brokers that operate on the market in order to assess the overall market situation and allow us to take action at an early stage if needed.

Talanx AG recognised a loss ratio of 90.0% (81.5%) in financial year 2024 as a reinsurer, with the loss ratio for the financial year coming to 64.0% (51.7%). A net run-off result of EUR −85 (−127) million was recognised. The run-off ratio was 12.6% (27.4%).

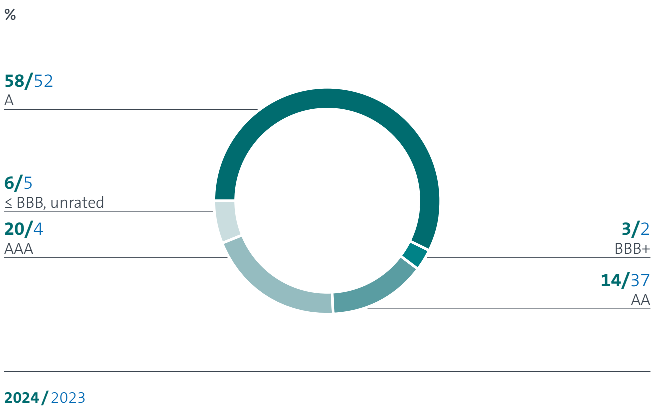
Receivables comprise a number of individual receivables from various market participants, most of which have been outstanding for less than 90 days. We do not currently expect to recognise any write-downs on individual receivables.

SCENARIOS FOR FAIR VALUE CHANGES IN SECURITIES

EUR million	2024	2023
Change in portfolio on a fair value basis		
Equities and other variable-yield securities		
Equity prices −20%	−1	−1
Fixed-income securities and other loans		
Increase in yield +100 basis points	−23	−16
Decrease in yield −100 basis points	+25	+17

Talanx AG predominantly holds securities rated A or better, with only a relatively small number rated lower than A.

SECURITIES BY RATING CLASS



Report on expected developments and on opportunities

Talanx AG is closely intertwined with the Group companies and plays a correspondingly large role in the Group, and so the statements made in the Group forecast and report on opportunities also reflect expectations for the parent company Talanx AG. In 2025, we expect to see a significant increase in net income for Talanx AG, in part due to income from long-term equity investments.

Report on relations with affiliated companies

In the report on relations with affiliated companies that the Board of Management is required to prepare in accordance with section 312 of the German Stock Corporation Act (AktG), the Board declared that Talanx AG received appropriate consideration for each and every transaction with an affiliated company according to the circumstances known at the time the transactions were conducted. No measures subject to reporting obligations were undertaken in the year under review.

Overall assessment of the economic position

Talanx AG's management believes that business performance was outstanding in the reporting period, particularly considering the complex macroeconomic and conditions in the industry, and despite the many global challenges. Our success is based, among other things, on the systematic implementation of our ambitious Group strategy and the divisional strategies contained therein, on our continued global diversification and on a performance-driven culture based on trust. Group net income stood at almost EUR 2 billion, with growth in insurance revenue in the low double digits. The Group return on equity exceeded our guidance for the reporting period, as did return on equity in all of the Group's divisions.

The Group remains financially robust and its solvency ratio continues to be well above the level required by law and on the upper end of our target range. The Board of Management assessed the Group's economic situation as unchanged and sound as at the preparation date of the management report. The Group adjusted to the effects of the macroeconomic and geopolitical environment; there were no material impacts to the Group's assets, liabilities, financial position and financial performance. We believe that our targets for 2025 as a whole are achievable.

Preface to the sustainability statement,

that also fulfils the requirements for the group non-financial statement prepared in accordance with sections 315b to 315c HGB[1]

Dear ladies and gentlemen,

Talanx considers both sustainability and due and proper compliance with reporting obligations to be important. Sustainability is important because of our business purpose. This is particularly clear in relation to climate change. As an insurer, we are confronted with constantly rising claims expenses from extreme weather events and forest fires due to global warming. This topic is highly relevant to us from an economic perspective, which is one reason why Talanx has made sustainability a core element of its Group strategy. We have formulated strategic ambitions for our global business in the areas of investment, underwriting and own operations, and we intend to be measured against them. To date we have always met our sustainability ambitions, and in many cases we actually exceeded them. We aim to do this going forward, too.

This sustainability statement for the 2024 reporting year is the first that Talanx Group has prepared under the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) that build on it. In addition to meeting these requirements, it also complies with the EU Taxonomy. The Talanx Group has validated the interpretative decisions it has made in this reporting to the best of its knowledge and belief by performing its own assessments, consulting external experts, and engaging in dialogue within industry associations. However, even though all due care has been taken, no assurance can be given that opinions on how to interpret the ESRS will not change. In contrast to the IFRS, the ESRS are not a reporting framework with a long, proven track record. As is normally the case with new reporting standards – especially where these have not been validated in field tests – initial application reveals potential areas for improvement in the future.

The Talanx Group is working to ensure the continued development of the ESRS in its role as a member of the German Insurance Association (GDV) and of the European Insurance CFO Forum. Particularly important for us are facilitating the use of management mechanisms, international comparability of reporting and ensuring that the effort involved in reporting is proportionate to the benefits gained. In line with this, we see opportunities to improve reporting going forward in the following three areas:

Development area 1: Facilitating the use of management mechanisms by ensuring clear attributability

When assessing the influence that an undertaking has on climate change, it is necessary to measure the carbon emissions caused by the reporting entity. Emissions data in which these emissions are supplemented by emissions caused by the undertaking's business partners are more difficult to interpret. On the one hand, this approach ignores the ability of the reporting entity to influence these emissions in practice, while on the other it accepts multiple counting (Scope 3 emissions).

For Talanx as a provider of financial services, more than 99% of the total emissions that it reports come from attributed emissions that it has not caused itself. The Group's ability to influence these emissions is limited and at best indirect. This topic does not merely affect Talanx as an undertaking with a reporting obligation. We would also welcome a focus in our business partners' reporting on the emissions that they themselves cause in our capacity as an investor and underwriter of risks. Such a focus is aligned with areas of responsibility, enables meaningful comparison and can be better integrated in decision-making processes. Enhancing the ESRS in this direction would be desirable.

[1] This chapter comprises unaudited information.

Development area 2: International integration of the ESRS

The Talanx Group operates in more than 175 countries. Thanks to our business, we know that sustainability matters are accorded very different weightings and assessments in different jurisdictions and cultures. We normally align our sustainability considerations with local acceptance of our business activity. The reporting structure prescribed by the ESRS can only reflect this in part. It was largely determined by European decision-makers. In the case of global topics such as climate change it would be helpful for the acceptance of the reports prepared on this if, for example, the scope of measurement, the methodology and the presentation of the results were agreed internationally rather than merely at European level. To this extent we support the ISSB's efforts to establish such a reporting standard and would welcome the European Union adopting this.

Development area 3: Focusing reports on core management-related topics

The structure of the ESRS requires us to explain in a number of places that, in the "Social" and "Governance" areas, Talanx complies with the laws in the countries in which it does business, among other things. This goes without saying for us and should not actually need describing. In the "Environmental" sections of the report our main concern relates to climate change. In our opinion, enhancing the report so that it can be used to derive additional management mechanisms will be decisive.

With best wishes

The Talanx AG Board of Management

Sustainability statement,

that also fulfils the requirements for the group non-financial statement prepared in accordance with sections 315b to 315c HGB

1. General information

1.1 Basis for preparation

1.1.1 General basis for preparation of sustainability statement (BP-1)

Scope of reporting for the sustainability statement

This sustainability statement also meets the requirements of a non-financial statement prepared in accordance with sections 315b to 315c of the German Commercial Code (HGB) (hereinafter referred to as the “sustainability statement”) The scope of consolidation is basically the same as is used for the IFRS financial statements. However, all non-material subsidiaries under the IFRS are subjected to an additional materiality test.

Certain consolidated Polish companies are listed by name in this sustainability statement, in keeping with the national regulations there. These are: Towarzystwo Ubezpieczeń i Reasekuracji WARTA S.A., Towarzystwo Ubezpieczeń na Życie WARTA S.A., Towarzystwo Ubezpieczeń Europa S.A. and Towarzystwo Ubezpieczeń na Życie Europa S.A. Making reference to this sustainability statement exempts the first two Polish companies mentioned from the obligation to submit their own sustainability statement. In addition, the Italian company HDI Assicurazioni S.p.A. exercises the Group exemption option. [BP-1 5 a, b i, b ii]

As regards reporting in accordance with sections 315b to 315c in conjunction with sections 289c to 289e of the HGB, all Group companies bar one that are required as a result of Directive 2014/95/EU to disclose non-financial and diversity-related information on the basis of national laws are exempted from the obligation to submit their own statements by reference to this sustainability statement.

The Hannover Re Group publishes its combined non-financial statement in its Group management report.

The value chain underlying the sustainability statement comprises the activities performed in the insurance business, asset management and the Group companies’ own operations. Both upstream and downstream activities (see SBM-1) are included. A qualitative assessment of the entire value chain, including upstream and downstream actors, was made when determining the material impacts, risks and opportunities. Upstream and downstream activities are included in policies, actions and targets; this is presented transparently in line with the relevant reporting requirements. The Talanx Group has made use of the transitional provision related to the value chain, where relevant, when determining metrics for its upstream and downstream activities, due to challenges regarding data availability and data quality. [BP-1 5 c, AR 1]

Sensitive information on intellectual property, know-how or results of innovation

The option to omit sensitive information on intellectual property, know-how or results of innovation was not utilised for the Primary Insurance Group in the Talanx Group’s sustainability statement, since this information is not relevant to the report. The Hannover Re Group has utilised this option. [BP-1 5 d]

1.1.2 Disclosures in relation to specific circumstances (BP-2)

Disclosures stemming from other legislation and pronouncements

Disclosures relating to commercial law reporting requirements

The framework used was the European Sustainability Reporting Standards (ESRS). This results in a change compared to the previous methodology, so as to already correspond to the increased transparency requirements set out in the regulatory framework under the CSRD, which still has to be implemented in Germany, and hence to ensure comparability with future reports.

Previous reports prepared under the Non-Financial Reporting Directive (NFRD) also contained reporting on other social policies. However, the ESRS requirements do not permit voluntary reporting of other, non-material topics. Consequently, the reporting focuses on the own workforce (see section 3.1 “Own workforce”) and private retail customers (see section 3.2 “Private retail customers”).

No material non-financial risks that could have severe negative impacts on the Talanx Group’s business activities were identified in the reporting year. See the risk report in the combined management report for further information on sustainability risks, and particularly climate change risks, plus a more detailed look at the risk management system including the Talanx Group’s risk profile.

Disclosures under the Taxonomy Regulation
This sustainability statement meets the requirements of Article 8 of the Taxonomy Regulation (see section "2.1 Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation)").

Time horizons
The Talanx Group uses the following time horizons as the basis for its reporting:

- Short-term: up to one year, as for financial reporting
- Medium-term: more than one year and up to five years
- Long-term: more than five years

Any departures from these periods in the information that follows have been indicated. [BP-2 9a]

Sources of estimation and outcome uncertainties
Where the metrics published in the sustainability statement contain data related to the upstream and/or downstream value chain that are estimated using indirect sources such as sector-average data or other proxies, this is indicated in the relevant places. As far as possible, the informative value of these metrics is enhanced by providing additional contextual information so as to enhance transparency. [BP-2 10 a, b, c]

If the metrics published in the sustainability statement contain estimations and outcome uncertainties, this is indicated in the relevant places. As far as possible, the informative value of these metrics is enhanced by providing additional contextual information so as to enhance transparency. [BP-2 11 a, b i, b ii]

Incorporation of information
The Talanx Group has identified those places in this sustainability statement in which information is incorporated on the basis of other legislation or generally accepted sustainability reporting standards. [BP-2 15] In addition, the Talanx Group provides references to other passages within the Group management report. No references to passages outside the Group management report are included. [BP-2 16]

1.1.3 Preliminary remarks

A number of limitations must be borne in mind when interpreting the ESRS sustainability statement.

This report has been prepared on the basis of the requirements set out in the sector-agnostic ESRS. The highly specific nature of the financial services and insurance business means that certain requirements have to be interpreted for use in relation to these sectors. The sustainability statement's focus and presentation do not adequately reflect the Talanx Group's ambition and activities in many areas. In particular, quantitative measurements of this ambition and of the Group's sustainability activities are only possible in some areas.

In addition, there is still substantial uncertainty as to how to interpret many ESRS requirements. In contrast to the IFRS, the ESRS are not a reporting framework with a long, proven track record. The Talanx Group has validated its interpretative decisions to the best of its knowledge and belief by performing its own assessments, consulting external experts, and engaging in dialogue within industry associations. However, even though all due care has been taken no assurance can be given that opinions on how to interpret the ESRS will not continue to change. To this extent, the statements are inherently open to further development. Comparability and interpretability of the data and information published in the non-financial reporting under the CSRD will only emerge over time, and once market standards and benchmarks have emerged.

The Talanx Group operates in more than 175 countries around the world, and a large proportion of its business relates to insured risks outside the European Union. Application of the European regulatory framework is obligatory (or will become so once local implementing legislation comes into force) because the Talanx Group is domiciled in the European Union and there are no uniform global mandatory standards for sustainability reporting as yet. For the Talanx Group, it is important that its economic activity is accepted not just from a European perspective but also in the individual countries in which it does business.

The quality and availability of the data needed for many of the requirements are limited in this initial report prepared in accordance with the ESRS, due among other things to the Talanx Group's decentralised, international structure. The underlying data points are, in many cases, datapoints that have been determined partly through extrapolations, projections, or estimates. A best-efforts approach was adopted in these cases, but this does not rule out future changes being made when better-quality data become available. This applies all the more, given that in many cases, no benchmarks, such as those from previous years, exist. A multilevel internal quality assurance process was defined and complied with so as to reduce the probability of incomplete or incorrect data being published. Due to the fact that this is its ESRS first report, the Talanx Group is still in a learning curve. If a need for changes is identified post-publication, these will be made in the next sustainability statement; in the case of material discrepancies, attention will be expressly drawn to such corrections.

In addition, the ESRS-related methodologies used to determine the ESRS metrics contained in this report still have shortcomings in some cases. For example, it can be noted that the methodologies permitted for compiling and reporting the carbon footprint – an extremely important issue – promote multiple counting of emissions (Scope 3).

The emissions reported must be seen in the context of the fact that the Talanx Group, as a provider of financial services, only generates a very minor proportion of the emissions itself. More than 99% of total emissions originate in the downstream value chain. Naturally enough, the financial services sector's leverage and opportunity to influence these emissions is limited.

The Talanx Group has disclosed the financed emissions from its investments for the first time in this sustainability statement. When making investments as an equity provider, the Talanx Group can sometimes intervene to influence these investments' carbon emissions. This is especially true in the case of real estate and infrastructure investments. However, the real estate sector in particular has already been focusing on energy efficiency for many years now, which means that the potential for additional savings is small. By contrast, a large proportion of the investments made take the form of debt capital. The Talanx Group's opportunities for influencing the emissions relating to these investments are extremely limited. What is more, the Talanx Group's debt portfolio largely consists of government bonds and bonds issued by regional and local authorities, on which no influence is exerted. Most of these public sector bonds also cannot be substituted due to the regulatory requirements governing the provision of financial services and funding. The GHG intensity for the government bonds in the Talanx Group's portfolio is twice that for corporate bonds. This means that financed emissions from government bonds, which represent a share of the total emissions generated by the countries concerned, account for a large proportion of the Talanx Group's reported financed emissions. The Talanx Group does not see any possibility of directly managing these emissions.

In view of these limitations, the KPIs currently cannot be taken into account during management, or this can only be done selectively.

The Talanx Group has presented the data, and the statements made on their basis, to the best of its knowledge. Nevertheless, attention is drawn to the statements on their informative value given above. No further audits or validations of the data and figures presented in the statement by external instances were performed. [MDR-M 77 b]

The Talanx Group welcomes enhanced transparency in sustainability reporting. High-quality sustainability information can support decision-making at the Talanx Group in its role as a long-term, international investor and underwriter. High-quality reporting presupposes sensible regulatory frameworks that enable objective, verifiable comparisons between entities regarding their actual effect on socially relevant sustainability matters. As a member of the German Insurance Association (GDV) and the European Insurance CFO Forum, the Talanx Group is working to enhance CSRD reporting in this spirit, and to restrict it to matters in which the effort involved in reporting is proportionate to the benefits gained.

1.2 Governance in accordance with ESRS 2

Group-wide, effective corporate governance is crucially important for responsible business conduct aimed at creating sustainable value. It forms the framework for managing and overseeing undertakings. Aspects covered include their organisational structures and values, the principles that govern how they do business and their guidelines.

1.2.1 The role of the administrative, management and supervisory bodies (GOV-1)

Management and supervisory bodies

Talanx AG – the Talanx Group parent – is a listed company based in Hannover. As such, it is governed by German stock corporation and capital markets law, and by the German Co-determination Act (MitbestG). In line with this, the Group's three governing bodies – the Board of Management, the Supervisory Board and the General Meeting – make up its top-level management and governance structure. These bodies' duties and powers are defined by law, by Talanx AG's Articles of Association and by the Rules of Procedure for the Board of Management and the Supervisory Board.

Responsibilities and composition

The Board of Management, which consists of seven executive members, is responsible for managing the business. [GOV-1 21 a] The Supervisory Board appoints, oversees and advises the Board of Management. It is involved in making decisions on fundamental matters and works together cooperatively with the Board of Management in the Company's interests. However, the Supervisory Board does not have a management role, in line with Germany's two-tier corporate governance model, in which the management and oversight functions are deliberately separated. The Supervisory Board comprises 16 non-executive members. [GOV-1 21 a] These consist of equal numbers of shareholder and employee representatives, in line with the MitbestG. [GOV-1 21 b]

Board of Management (as at 31 December 2024)

- Torsten Leue (Chairman)
- Jean-Jacques Henchoz
- Dr Wilm Langenbach
- Dr Edgar Puls
- Caroline Schlienkamp
- Jens Warkentin
- Dr Jan Wicke

Supervisory Board (as at 31 December 2024)

- Herbert Haas (Chairman)
- Jutta Hammer (Deputy Chairwoman)
- Angela Titzrath (Deputy Chairwoman)
- Natalie Bani Ardalan
- Rainer-Karl Bock-Wehr
- Dr Joachim Brenk
- Sebastian L. Gascard
- Dr Christof Günther
- Dr Hermann Jung
- Dirk Lohmann
- Christoph Meister
- Dr Sandra Reich
- Matthias Rickel
- Prof. Dr Jens Schubert
- Patrick Seidel
- Norbert Steiner

Diversity, skills and independence

Talanx AG follows the principle of diversity, among other things, when making appointments to its Board of Management and Supervisory Board. Key factors in addition to candidates' specialist and personal qualifications (skills) include their age, gender, education and professional experience.

Board of Management members have appropriate professional qualifications, plus the knowledge and experience necessary for sound, prudent management and for performing their respective roles, taking entity-specific risks and the nature and scope of the business operations into account. This includes knowledge of the insurance and financial markets, knowledge and understanding of the corporate strategy and business model, knowledge of the governance system (risk management system and internal control system), the ability to interpret accounting and actuarial figures and to perform financial and actuarial analyses, and knowledge and understanding of the regulatory framework. In addition, each Managing Board member has the specific professional qualifications needed for the area for which they have been assigned responsibility. This also encompasses expertise with regard to sustainability topics, allowing the impacts, risks and opportunities associated with the business to be assessed and managed. The Board of Management members are individually responsible for their regular professional development, in order to guarantee that they continue to have the necessary professional qualifications over the long term. [GOV-1 21 c, 23 a, b]

Torsten Leue

In his role as Chairman of the Board of Management, Torsten Leue is responsible for coordinating all areas of responsibility and for communication with the Supervisory Board. He represents the Board of Management and the Company in dealings with the public, and especially with capital providers and investors, public authorities, associations, business organisations and the media. In addition, Torsten Leue is responsible for the following areas: Internal Audit, Best Practice Lab, Group Communications, Corporate Development/M&A, Governance/Corporate Office, Strategic Human Resources Management/Succession Planning, Investor Relations and Sustainability/ESG. He was previously responsible on the Board of Management for the Group's Retail International business. Before joining Talanx, Torsten Leue worked for many years for another international insurance group in a number of positions, both in Germany and abroad. Among other things, he was the regional manager for Central and Eastern Europe, and chairman of the board of management of the group's Slovakian subsidiary; during this period he was also President of the Slovakian Insurance Association. Torsten Leue originally trained as a certified bank clerk, after which he studied business administration in Berlin and Montpellier.

Jean-Jacques Henchoz

Jean-Jacques Henchoz is responsible for the Reinsurance Division. He is also Chairman of the Board of Management of Hannover Rück SE, where he is responsible for Group Operations and Strategy, IT and Facility Management, Human Resources Management, Corporate Communications, Group Internal Audit, Group Risk Management and Compliance. Jean-Jacques Henchoz's successful career has featured several executive positions in reinsurance, the life and non-life insurance business and financial solutions. He also gained experience of underwriting, and responsibility for and experience of international business. Before obtaining an MBA from the International Institute for Management Development (IMD), he graduated from the University of Lausanne with a BA degree in political science.

Dr Wilm Langenbach

Dr Wilm Langenbach is responsible for the Retail International Division on the Board of Management, and is also Chairman of the Board of Management at HDI International AG. He has many years' international management experience in the insurance business, especially in the core markets of Europe and Latin America, plus the Middle East and Africa. After training as a bank clerk, he studied business administration at the WHU Koblenz and in Texas, and gained a doctorate from the WHU.

Dr Edgar Puls

Dr Edgar Puls is the member of Talanx's Board of Management responsible for its Corporate & Specialty Division and for the reinsurance captive. He is also Chairman of the Board of Management of HDI Global SE. After working in a number of industrial insurance positions at HDI Germany, Dr Puls became CEO of HDI-Gerling in Rotterdam. After that he was appointed to the Board of Management of HDI Global SE, where he was responsible for the Motor business and the Europe region, and later on for Fire, Marine and Engineering insurance. An engineering graduate, Dr Puls has a doctorate from the Institute for Risk and Consequence Analysis at the University of Wuppertal.

Caroline Schlienkamp

Caroline Schlienkamp is Talanx's Labour Director and responsible for operational Human Resources at the Group, plus the Legal/Compliance, Data Protection, Group Procurement, Facility Management and Business Organisation functions. She is also the Spokesperson of the Board of Management of HDI AG and previously held a number of leadership and management functions in the Group. After training as an insurance clerk, Caroline Schlienkamp studied law and passed her second state law exam in Düsseldorf.

Jens Warkentin

Jens Warkentin is the Board of Management member responsible for the Retail Germany Division, IT and Brand Management. He is also the Chairman of the Board of Management of HDI Deutschland AG, where he was previously CFO and Labour Director. Before joining the Talanx Group, he worked in a number of management positions for another international insurance group, including as COO and a member of the board of management. Jens Warkentin trained as an insurance clerk before studying economics at Marburg University in Germany and Millersville University in Pennsylvania, USA.

Dr Jan Wicke

Chief Financial Officer Dr Jan Wicke is responsible for the Accounting, Collections, Controlling, Finance/Participating Interests/Real Estate, IT Security, Investments, Risk Management, Taxes, Treasury and Reinsurance Procurement functions. He joined Talanx after a working in a number of management positions and board of management functions at insurance groups and financial institutions in the fields of finance and risk management. He was initially responsible for the German retail insurance business before being appointed as the Group's CFO. Dr Wicke studied business administration and obtained a doctorate from the University of Bamberg.

Care is taken when making appointments to the Supervisory Board to ensure that, as a whole, its members possess the knowledge, skills and specialist experience required to duly perform their duties. In addition to the professional expertise in the areas of asset management, underwriting, accounting and the internal model that is required by supervisory law, other material topics for the Company – auditing, an international perspective, human resources, risk management, IT/digitalisation, compliance and sustainability – are taken into account. The Supervisory Board uses a self-assessment by its members to draw up an overview of its existing qualifications (see the "Qualifications of Talanx AG's Supervisory Board members" in the Appendix) and a development plan designed to maintain and enhance the necessary specialist expertise. Supervisory Board members can use internal and external training for this, among other things. In financial year 2024, the Supervisory Board received comprehensive training on the CSRD. [GOV-1 21 c, 23 a, b]

The Board of Management comprises one woman and six men.

There are two female and six male shareholder representatives on the Supervisory Board, and two female and six male employee representatives. As a result, the statutory gender quota of 30% pursuant to section 96(2) of the German Stock Corporation Act (AktG)[1] has been met.

Percentage of female members in accordance with ESRS 2 GOV-1, 21 d[2]:

- Board of Management: 14%
- Supervisory Board: 25%

The German Corporate Governance Code ("the Code") states that the Supervisory Board shall include an adequate number of independent members among its shareholder representatives. At present, all eight shareholder representatives on Talanx AG's Supervisory Board (100%) are independent as defined by the criteria set out in the Code.[3] Pursuant to the MitbestG, the employee representatives consist of staff representatives and representatives of ver.di, the German union. They are elected by the workforce in universal, fair and secret elections. [GOV-1 21 e]

Organisation and responsibilities

Corporate management

The governance structure cascades from the Board of Management to the senior management teams.

The Board of Management members are jointly responsible for managing the Company's business. Irrespective of this, each Board of Management member is assigned an area of responsibility under the Rules of Procedure and the associated schedule of responsibilities, and manages this area on their own responsibility within the framework of the decisions passed by the full Board of Management. Their responsibility also covers the impacts, risks and opportunities associated with the area concerned. In addition, the law, the Articles of Association and the Board of Management's Rules of Procedure require some issues to be resolved by the full Board of Management. These include the Company's strategy, including its sustainability strategy, the principles underlying the Company's policies, and the implementation and control of a suitable risk management and monitoring system. [GOV-1 22 a, b]

The members of the Board of Management are responsible for the sustainability-related impacts arising from business activity in their respective areas of responsibility. Each Board member's area of responsibility is in charge of the impacts relating to its own operations. Impacts relating to underwriting are the responsibility of the primary and reinsurance divisions led by Jean-Jacques Henchoz, Dr Wilm Langenbach, Dr Edgar Puls and Jens Warkentin. Responsibility for impacts relating to the investment function lies with Dr Jan Wicke. [GOV-1 22 a, c]

The risk strategy specified by the Board of Management in line with the business strategy expresses the basic approach to identifying and dealing with risks and opportunities. It serves as the starting point for Group-wide implementation of risk management, with sustainability matters also being taken into consideration. Other bodies and people responsible for this apart from the Board of Management and the Supervisory Board are the Executive Risk Committee, the Chief Risk Officer, Group Risk Management and the risk management units in the individual divisions. Group Risk Management has been assigned to Dr Wicke under the Board of Management's schedule of responsibilities. In addition, the Talanx Group has implemented a whistleblowing system (see section 4.1.1 "Business conduct and corporate culture") that offers both employees and third parties the opportunity of anonymously reporting harmful behaviour and risks. The Board of Management is informed immediately of substantial indications of critical matters that could potentially have significant negative impacts on the Group or its stakeholders. [GOV-1 22 c]

The impacts and opportunities associated with sustainability activities are also analysed and their implementation is prepared in, for example, the Responsible Investment Committee (RIC), the Responsible Underwriting Committee (RUC) and the Own Operations working group. The RIC and RUC are two central decision-making bodies that regularly monitor, and drive forward, integration of sustainability matters with all core investment and underwriting processes, in line with the strategy. The RIC is chaired by Board of Management member Dr Jan Wicke. The RUC, to which all Talanx Board of Management members belong, is chaired by Board of Management Chairman Torsten Leue. [GOV-1 22 c]

The governance structure that has been implemented ensures that the Board of Management has access to all relevant information from the specialist departments, especially about the Company's risks and opportunities, and about the ecological and social impacts of its business activities. [GOV-1 22 a, b, c]

Chairman of the Board of Management Torsten Leue is responsible for sustainability within the Board of Management. His key tasks include enhancing and implementing the sustainability strategy so as to position Talanx as a sustainable group, especially in the dimen-

[1] Section 96(2) of the AktG requires figures to be rounded up or down to the next full number of people.
[2] As at 31 December 2024.
[3] The Code's recommendation on the independence of Supervisory Board members relates solely to the shareholder representatives (Chapter C of the Code, "Composition of the Supervisory Board", section II "Independence of Supervisory Board members", recommendations C.6 – C.12). In line with the Code, the disclosures for GOV-1 21e relate solely to the independence of the shareholder representatives.

sions of underwriting and asset management. Group Strategy & Sustainability supports him in this and reports to him. [GOV-1 22 a, b]

The Talanx Group aspires to responsible business conduct that is aligned with sustainable value creation. The Board of Management develops the sustainability strategy and ensures that sustainability-related matters are implemented in asset management, underwriting and operations, and in the Group's social responsibility activities. It resolves appropriate sustainability-related goals and targets during the annual update process for the sustainability strategy, and monitors their achievement. This process takes into account both ESG-related risks and opportunities and the environmental and social impacts of the Talanx Group's operations. [GOV-1 22 b, c, d]

Supervisory Board
The Supervisory Board has established the following committees to enable it to perform its duties efficiently:

- Personnel Committee
- Finance and Audit Committee
- Nomination Committee
- Standing Committee

The Supervisory Board committees prepare Supervisory Board decisions within their areas of responsibility and take decisions instead of the Supervisory Board in those areas in which such powers have been delegated to them under the Rules of Procedure. The committee chairs report regularly to the Supervisory Board on the work performed in their respective committees.

Both the full Supervisory Board and its committees, and especially the Finance and Audit Committee and the Nomination Committee, address sustainability topics within their areas of responsibility.

In addition, the high priority given to sustainability in the Group is demonstrated by the fact that three sustainability experts have been appointed on the Supervisory Board:

- Dr Sandra Reich
- Prof. Dr Jens Schubert
- Norbert Steiner

The role of these sustainability experts is to provide advice, make recommendations and perform preparatory work within the Supervisory Board. They share information about sustainability topics with the other Supervisory Board members and the Board of Management, among others, and support and oversee sustainability reporting. [GOV-2 22 a, b, c, 26 a]

1.2.2 Sustainability matters during the reporting period (GOV-2)

The Board of Management and the Supervisory Board are informed regularly about important sustainability topics:

- Monthly[1] about ESG risks: The Monthly Risk Briefings (MRB) are circulated by the management function at Qualitative Group Risk Management
- Quarterly about ESG risks: The Talanx Group's Chief Risk Officer presents the quarterly risk briefings (QRB)
- Annually about ESG reporting as part of the presentation by the Talanx Group's Chief Risk Officer of the ORSA (own risk and solvency assessment) report
- Annually about ESG impacts and opportunities: Group Strategy & Sustainability reports on the outcomes of the meetings of the RIC, RUC and Own Operations working group
- Annually about ESG impacts, risks and opportunities: Group Strategy & Sustainability provides information about the outcomes of the materiality assessment (see section 1.4 "Strategy and business model")
- Annually about ESG impacts, risks and opportunities: Group Strategy & Sustainability reports on sustainability reporting

In addition, ad hoc information about material ESG matters is provided at short notice as required. [GOV-2 26 a]

The Talanx Group's sustainability strategy is an integral part of its Group strategy. This ensures that the Board of Management includes ESG matters in its decision-making. The Board of Management reviews the sustainability strategy at least once a year and considers the risks and opportunities related to sustainability matters and the Group's sustainability-related impacts on society.

In addition, Group Risk Management is involved in all material decisions by the Board of Management; this relates to both the content of decisions and appropriate timing. The decision-making processes weigh risks and opportunities, and their potential impacts, against each other.

Equally, ESG topics are taken into account during transaction processes: for example, ESG due diligence is performed in both underwriting and investment. Any material findings are taken into account in the decisions made by the relevant bodies. [GOV-2 26 b]

The following table shows the range of sustainability topics that the Board of Management and Supervisory Board addressed from a risk/opportunity perspective in the course of the financial year. Disclosures on the results of the materiality assessment, including impacts, risks and opportunities, can be found in section 1.4 "Strategy and business model". [GOV-2 26 c]

[1] The Supervisory Board receives the most recent monthly risk briefing (MRB) or quarterly risk briefing (QRB) for its regularly quarterly meetings.

LIST OF THE MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ADDRESSED BY THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OR THEIR RELEVANT COMMITTEES DURING THE REPORTING PERIOD (GOV-2 26 C) [1]

Area	Risks	Opportunities
Environmental E1: Climate change adaptation E1: Energy E1: Climate change mitigation	■ **Asset management:** Decline in the value of the investment portfolio due to investments in undertakings with unsustainable business models and to real estate and infrastructure investments that are exposed to increasingly frequent and increasingly intense extreme weather events. (IRO: Declining investments and financial losses due to growing physical and transition risks [climate change adaptation]) ■ **Underwriting:** Increasingly frequent and increasingly intense extreme weather events can lead to insurance losses that are substantially higher than was assumed during pricing. (IRO: Decline in product profitability due to a rise in claims payouts [climate change adaptation])	■ **Asset management:** Investments in sustainable technologies and real estate, and in renewable energy. Active support for the transformation process through sustainable investments. Promotion of positive effects on society and the environment. (IRO: Investments in renewable energy leading over the medium to long term to positive impacts on investment, and resilience against external shocks and extreme climate events [energy]) ■ **Underwriting:** Insurance cover for sustainable technologies, insurance cover for climate risks and support services (insurance cover for new risks, support for climate change adaptation, support for customer transformation processes). (IRO: Increased revenue from insurance and risk transfer solutions for growing physical risks [climate change adaptation]; IRO: Increased revenue from the provision of consulting services for climate risk analysis and prevention [climate change adaptation]; IRO: Increased income from insuring the transition to sustainable technologies [climate change adaptation]) ■ **Own operations:** Cost savings from resource-efficient work, reductions in air travel and efficient building use. (IRO: Reduction in carbon emissions through use of green power, targets and planned actions for achieving GHG neutrality including remaining emissions in operating facilities by 2030 [2] [climate change mitigation])
Social S1: Working conditions S4: Customers and end-users	■ **Employee matters:** Staffing shortages may lead to temporary disruptions in operations. (IRO: Wage and benefit increases due to competition can increase recruitment and retention costs for specialists [working conditions]) ■ **Responsibility to customers:** Dissatisfied customers may terminate contractual relationships. (IRO: Decline in revenue due to growing customer dissatisfaction and failure to write new business for a variety of reasons [customers and end-users])	■ **Employee matters**: Enhanced employee satisfaction and performance due to more nuanced consideration of the responses received from the reframed employee survey. (IRO: Working conditions influence employee satisfaction and performance, Talanx's reputation and hence its financial performance [working conditions])
Governance G1: Culture of business practices	■ **Data protection and cybersecurity:** The completeness, confidentiality, availability and/or authenticity of information or IT systems may be imperilled; cyberattacks or the loss of sensitive data may be accompanied by financial losses or reputational risk. (IRO: Cybersecurity: Fines, sanctions and reputational damage in the case of data protection breaches in the business environment not covered by ESRS S4 [culture of business practices])	

1 Impacts were not addressed in these discussions.
2 Greenhouse gas neutrality.

1.2.3 Integration of sustainability-related performance in incentive schemes for the Board of Management and Supervisory Board (GOV-3)

The remuneration paid to the Talanx Group's Board of Management is aligned with publicly communicated financial and non-financial targets and the shareholder return, promoting the Group's sustainable, long-term development.

The remuneration system complies with the statutory and regulatory requirements and the recommendations of the German Corporate Governance Code (the "Code"), and serves as the basis on which the Supervisory Board determines the total remuneration for each Board of Management member. In addition to the regular General Meeting votes to approve the remuneration system, shareholders can ask the Company questions about, and comment on, the remuneration paid to Board of Management members each year in the General Meeting during submission of the remuneration report, and can cast a consultative vote on the remuneration system ("say on pay").

The direct remuneration for the members of the Board of Management comprises both fixed and variable components. 40% of the target direct remuneration consists of fixed remuneration and 60% of variable remuneration, appropriately reflecting the pay-for-performance principle. The variable components comprise a short-term and a long-term element and primarily reflect individual target achievement levels for the financial year. Individual premiums/discounts, which can range between –25 percentage points and +25 percentage points, are calculated as part of the variable remuneration. This is done by the Supervisory Board, which determines target criteria and metrics in advance for the coming financial year for each Board of Management member. These criteria and metrics also include sustainability targets, which are determined in line with the Group's sustainability strategy. These includes reducing emissions with the goal of achieving the Group's net zero carbon ambition (including offsetting remaining emissions) by 2050 as set out in section 2.2.1 "Fundamentals of climate change mitigation" and section 2.2.8 "Targets related to climate change mitigation and adaptation" of section 2.2 "Climate change mitigation". The sustainability performance metrics resolved as part of the sustainability strategy serve as benchmarks when determining target achievement for the Board of Management; concrete quantitative sustainability performance metrics are not defined as targets for Board of Management remuneration. The Supervisory Board, exercising its professional judgement, converts qualitative estimates of the degree to which the sustainability criteria have been met into an overall percentage for the degree of attainment of all target criteria. The current remuneration structure means it is impossible to mathematically calculate the precise share of variable remuneration that depends on sustainability-related or climate-related targets or impacts.

Supervisory Board members receive the remuneration determined by the General Meeting in accordance with the Articles of Association; this varies depending on the members' functions on the Supervisory Board and on whether they sit on Supervisory Board committees. Supervisory Board remuneration is not linked to any target achievement criteria, and nor does it contain any variable remuneration components, since the Supervisory Board's function is one of oversight.

Additional information on the remuneration of the Board of Management and the Supervisory Board is provided in the remuneration report; the table in the "Individual premium/discount" subsection (subsection c) of the "short-term incentive (STI)" section also lists the individual members' sustainability goals. [GOV-3 29, E1 GOV-3 13]

1.2.4 Risk management and internal controls over consolidated sustainability reporting (GOV-5)

Prior to the preparation of the sustainability statement under the ESRS, the reporting process was adapted to meet the stricter requirements regarding data quantity, data quality and the level of detail of information. This process is embedded in the Talanx Group's internal system of processes and complies with clearly defined procedures and systems. The process risks resulting from these sustainability reporting processes have been integrated in the internal control system (ICS). The CSRD/ESRS sustainability reporting process is still a work in progress and is regularly reviewed, adapted and enhanced.

Reporting uses a uniform Group-wide IT system that is also used for financial metrics. This is linked to an editing system, allowing validated data to be transferred directly. A multi-stage quality assurance process covering both quantitative data capture and the approval of qualitative information has been integrated. Examples of this are the principle of dual control and approval loops in the editorial system. An internal Group reporting manual defines the requirements for qualitative and quantitative information, describes the individual metrics and how they are captured, and ensures that everyone involved takes a uniform approach. Regular updating as more details become available, or as interpretations change, can result in measures such as changes to the reporting manual being initiated.

The process risks for sustainability reporting that are entered in the ICS are assessed using a four-point scale (low, medium, high and very high). Risks are prioritised by assessing their potential impacts on reporting and the likelihood of their occurrence. Key identified process risks include incorrect or late data delivery, misinterpretations of metrics and processes, and incomplete data from the upstream or downstream value chain. Mitigation strategies include the use of the Group-wide ICS, which integrates specially developed controls such as plausibility checks, the principle of dual control and deadline control. In addition, standardised IT systems are deployed to ensure consistent data transfer.

The outcomes of the risk assessment and of the internal controls are incorporated directly in the ICS and the Talanx Group's risk management activities. Risk managers receive a quarterly risk management report. In addition, ICS monitoring reports containing specific statements on processes that do not comply with the ICS requirements, or overdue tasks are used to keep the segment board members informed.

The Board of Management and the Supervisory Board are informed annually of material developments in, and the outcomes of, sustainability reporting. Changes in the reporting process are presented in meetings. In addition, external reviews of the reporting are taken into consideration, and any necessary modifications made.

The Talanx Group only publishes information that can be verified by an external review, which takes the form of a limited assurance review. Random sampling is used to check data from external providers, especially regarding the upstream and downstream value chain; however, quality assurance may be limited due to the sources of the data concerned. [GOV-5 36, AR 11]

Core elements of due diligence are presented in the Statement on due diligence and can be found in the table entitled "Statement on due diligence (GOV-4)" in the Appendix to the sustainability statement. [GOV-4]

1.3 Materiality assessment

1.3.1 Description of the materiality assessment process and outcomes (IRO-1)

The Talanx Group uses the materiality assessment process to identify, assess and review its key sustainability topics. The assessment is made on a consolidated basis for the entire Group. The Hannover Re Group is obliged to perform its own materiality assessment in addition to the materiality assessment for the Talanx Group. A full materiality assessment in line with the ESRS requirements was performed for the first time in the reporting year. The objective of this materiality assessment is to identify and assess the Group-specific sustainability-related material impacts, risks and opportunities. In line with the principle of double materiality, sustainability matters are defined as material if either their impacts or their financial implications can be considered to be significant for the Talanx Group. In the case of investment and underwriting, the assessment is performed at portfolio level; the underwriting assessment is qualitative. The proportion of customers and issuers in the portfolio that have material impacts on, or financial implications for, the individual sustainability topics therefore plays an important role when assessing materiality.

The Talanx Group's materiality assessment takes both evaluations by internal and external stakeholders and the relevance of the sustainability topics for the Group's business into account.

The results of the materiality assessment are approved by Talanx AG's Board of Management and presented to the Supervisory Board and the employee representatives. The results are included in the Group's sustainability strategy.

The materiality assessment is reviewed, and where necessary updated, annually in line with the ESRS requirements. The next comprehensive materiality assessment is scheduled for 2027 at the latest.

In its materiality assessment for the reporting year, the Talanx Group introduced and executed a six-stage process for identifying and assessing material impacts, risks and opportunities relating to sustainability topics. The material sustainability matters identified were documented in an updated IRO[1] list. [IRO-1, 51, 52, 53 h]

The Talanx Group's materiality assessment is based on a variety of different parameters so as to ensure that material impacts, risks and opportunities are assessed appropriately. These parameters include the following:

- The ESRS (including the list of sustainability topics)
- Considered opinions by internal experts from a variety of functions, divisions and regions within the Talanx Group
- The Talanx Group's annual reports and sustainability reports
- The Talanx Group's risk report
- Internal information such as information about investments (e.g. the sectors in which the latter are made)
- External information such as data from UNEP FI, ISS ESG or Sustainalytics [IRO-1 53 g]

The six stages in the materiality assessment process

1. **Stakeholder engagement** [IRO-1 53 b iii]
   Stakeholder engagement is an important element of the materiality assessment. The Group has identified (internal and external) stakeholder groups as defined in the ESRS in its own operations and throughout its (upstream and downstream) value chain.

   Internal stakeholder representatives have been assigned to all external stakeholder groups and are in regular dialogue with them. These representatives assess the impacts, risks and opportunities, taking both the knowledge derived from this stakeholder dialogue and their knowledge of the Talanx Group's operations into account ("informed opinions"). Quantitative data are used where possible to validate the results of the materiality assessment.

2. **Identification of impacts, risks and opportunities**
   The Talanx Group defines impacts, risks and opportunities throughout its entire value chain based on the list of sustainability topics contained in the ESRS (ESRS 1 AR 16), and above and beyond these. These IROs are classified into the underwriting, asset management and own operations categories, in line with the Group's business model. In the process, the Talanx Group also takes sub-sub-topics into account; these are combined into groups so as to enable impacts, risks and opportunities to be identified on an aggregated basis. The method used to determine material impacts, risks and opportunities relating to business conduct does not differ from the explanations of the materiality assessment given above. The factors included (e.g. location, activity and sector) were taken into account for all IROs, so that these have also been covered. A quantitative validation was explicitly performed for asset management, whereas in the case of underwriting a qualitative approach was taken in the stakeholder workshops. [G1 ESRS 2 IRO-1 6]

[1] IRO = impacts, risks and opportunities. IRO is a commonly used abbreviation in the ESRS context and is also used in this sustainability statement.

The ESRS sustainability topics were supplemented on the basis of the Talanx Group's earlier sustainability reports and additional research by internal sustainability experts. Contributions from the relevant specialist departments ensure that current risk management insights are taken into account when identifying material sustainability topics. The Talanx Group uses its networking activities in sector initiatives such as the GDV to further analyse topics such as climate change, both from the impact, risk and opportunity perspective and with respect to preventive measures.

3. **Top-down assessment of impacts, risks and opportunities**
   The internal stakeholders and the internal stakeholder representatives appointed by the Talanx Group assess the impacts, risks and opportunities identified for each group of sustainability sub-topics in relation to:

   - The Group's direct and indirect impacts on the topic concerned (impact materiality)
   - Their business relevance for the Group (financial materiality)

   The assessment is performed in two phases using a standardised assessment methodology. For further details, see the Methodology box. One material component of the assessment is assessing the likelihood and severity of impacts. Severity is derived from the impacts' scale, scope and – in the case of negative impacts – their irremediable character. The assessment covers both direct impacts of the Group's own operations and those arising from business relationships throughout the entire value chain.

   In the first step, the Group experts tasked with addressing sustainability topics – who include Group Strategy & Sustainability and Financial Controlling, among other departments – perform an indicative assessment of all impacts, risks and opportunities. In the second step, these assessments are then validated by the stakeholder representatives in Germany, the Talanx Group's domicile. The stakeholder representatives conduct interviews to assess the impacts, risks and opportunities for each group of sustainability sub-topics.

4. **Bottom-up assessment of impacts, risks and opportunities**
   The stakeholder representatives at the international subsidiaries and branches validate and where necessary adjust the outcomes of the top-down assessment so as to ensure that material differences relating to them are taken into consideration. The Hannover Re Group performs its own materiality assessment, the results of which are compared with the Talanx Group's materiality assessment. If additional material impacts, risks and opportunities are identified at the Hannover Re Group, these are added.

5. **Validation and quality assurance**
   Validation and quality assurance of the results is also performed at Group level; one way in which this is done is by conducting a final consultation with all stakeholder groups involved.

   In addition, a quantitative analysis of the investment portfolio was performed during the reporting year using UNEP FI data. This analysis confirmed the results already produced.

   No quantitative validation of the results for underwriting was performed in the reporting year, since the internal data for this were not available. The Talanx Group agrees with EFRAG that the materiality assessment will evolve over time, and that it will then be possible to redefine the balance between qualitative and quantitative information (see for example EFRAG Implementation Guidance 1 no. 181). The Talanx Group is reviewing potential ways of improving data quality and the way in which data can be used in future materiality assessments.

6. **Oversight of impacts, risks and opportunities**
   Since materiality is evolving dynamically, the Talanx Group validates and reviews its impacts, risks and opportunities on a regular basis. This entails analysing developments during the financial year, the effect that they have on impact materiality and financial materiality, for example with respect to sales or divestments, changes in the business model, the strategy, the investment or product portfolios or the Group's organisational structure.

Internal control procedures

The Talanx Group has established a number of internal control procedures so as to guarantee the integrity and accuracy of the decision-making process: [IRO-1 53 d]

Documentation and traceability

Detailed documentation: All steps in the decision-making process are comprehensively documented, including the identification and assessment of the impacts, risks and opportunities, the workshops held and the validation processes. A materiality assessment tool provides the methodological framework for capturing and documenting sustainability matters, stakeholders, assessment methodologies, and impacts, risks and opportunities.

Regular reviews, updates and continuous monitoring

- The materiality assessment and the processes associated with it are reviewed continuously, i.e. annually and also ad hoc in the case of significant changes. Comprehensive updates are performed regularly, and at least every three years, so as to incorporate new developments and statutory requirements.
- External expertise: The performance of the initial ESRS materiality assessment was supported by an external consultant so as to ensure the quality and reliability of the results.

METHODOLOGY BOX (IRO-1 53 A, B)

Assessment methodology for impact materiality and financial materiality
The Talanx Group assesses impacts, risks and opportunities along its value chain. As shown in section 1.4.1 "Strategy, business model and value chain (SBM-1)", there are three core value-creating activities for the Talanx Group as an insurance undertaking: own operations, asset management and underwriting. In line with this, these are also examined separately in the materiality assessment. In addition, all lines of business and regions in which the Group is active are taken into account by involving the stakeholders concerned. The assessment covers short-, medium- and long-term time horizons.

Impact materiality (IRO-1 53b)
Distinctions are made when identifying impacts ("inside-out perspective") between positive and negative impacts, and actual and potential ones. The severity (and likelihood) of impacts must be taken into account when deciding whether a negative (potential) impact is material. Severity is determined on the basis of the scale, scope and irremediable character of the impact. The scale and scope (and the likelihood) of impacts are taken into account when determining material (potential) positive impacts. The fact that the severity of the impact takes precedence over the likelihood of its occurrence in the case of human rights is taken into account.

The following graphic provides a overview of the assessment of the components leading to the impact materiality result. An impact is considered to be material if the assessment produces a value equal to or above the threshold of eight out of 15.

IMPACT MATERIALITY = **SEVERITY OF THE IMPACT** x **LIKELIHOOD OF OCCURRENCE**

Scale of impacts + Scope of impacts + Impact remediability

Scale of impacts		Scope of impacts		Impact remediability	
5	Very high	5	Global/ comprehensive	5	Irremediable/irreversible
4	High	4	Widespread	4	Very difficult/long-term
3	Medium	3	Medium	3	Difficult/medium-term
2	Low	2	Focused	2	Involves effort (time and costs)
1	Very low	1	Limited	1	Relatively simple/short-term
0	None	0	None	0	Very simple to rectify

Scale: How serious are the impacts, based on their magnitude and intensity?

Scope: What is the extent of the impact, e.g. how many people, natural resources or regions are or could be affected?

Remedy: How difficult is it to counteract, rectify or remedy the loss that has occurred?

Likelihood of occurrence		Factor
4	Highly likely (≥75%)	1
3	Likely (≥50–75%)	0.85
2	Relatively likely (≥25–<50%)	0.7
1	Unlikely (<25%)	0.65

Likelihood: How likely is it that the impacts will occur in the next 10 years?

Finally, multiplying the severity of an impact by its likelihood produces the value for the impact materiality. Impacts must be disclosed if they are critical, significant or important. In this case, the associated ESG topic is material for reporting.

Impact materiality	
≥12	Critical
(10–<12)	Significant
(8–<10)	Important
(5–<8)	Informative
<5	Minimal

Integration with overall management

The results of the materiality assessment reveal the Group's material sustainability topics. This leads to a clear focus on these topics in the sustainability strategy. Both the sustainability strategy and the materiality assessment are discussed in the Talanx Group's Board of Management and Supervisory Board meetings. [IRO-1 53 d]

Risk/opportunity management

Managing risks and opportunities is part of the Talanx Group's core business. Sustainability matters are integrated in relation to both the risks and the opportunities in the Group's business processes.

Risk management
Sustainability risks (also referred to as ESG risks) are not a separate risk category but can rather occur in all risk categories. This applies to underwriting, investment and operational risk, and to strategic and reputational risk. The Talanx Group addresses this issue by integrating sustainability matters in its enterprise risk management system.

For example, assets may decline in value due to climate change, while breaches of social standards may result in reputational damage. Risks associated with social topics and governance matters are particularly common among operational risks. One example of risks associated with social topics are human resources risks such as the risk that employees may not be available to fill certain key positions due to demographic change. Governance-related operational risks include compliance matters and data protection risks. Breaches of the law

Financial materiality (IRO-1 53c)
Financial materiality is used to assess risks and opportunities that could have a material influence on an undertaking's cash flows, financial performance or access to finance over the short, medium or long term ("outside-in perspective").

The materiality of risks and opportunities is assessed based on a combination of the likelihood of occurrence and the magnitude of the potential financial effects as shown below. Risks or opportunities that score three or more points out of five are considered to be material.

The positive and negative impacts, risks and opportunities are determined and the interactions and relationships between the individual factors are considered from a qualitative perspective. Quantitative assessment examines whether the assessments of impacts, risks and opportunities within a topic are related to each other or whether the different assessments can be explained or substantiated. This means that relationships are also examined at a quantitative level.

FINANCIAL MATERIALITY = **MAGNITUDE OF FINANCIAL EFFECTS** x **LIKELIHOOD**

Magnitude of financial effects	
5	Very high
4	High
3	Medium
2	Low
1	Minimal
0	None

Likelihood of occurrence		Factor
4	Highly likely (≥75%)	1
3	Likely (≥50–75%)	0.85
2	Relatively unlikely (≥25–50%)	0.7
1	Unlikely (<25%)	0.65

- Financial materiality is determined by combining the magnitude of the financial effects on an undertaking with the likelihood that such effects will occur.
- The magnitude of the financial effects can depend on whether an undertaking is able to continue using or obtaining the resources it needs, and to continue to do business on acceptable terms. The quality and prices of the resources required and an undertaking's dependence on suppliers are factors in this.
- Clear definitions of, and boundaries for, the magnitude of the financial effects are entity-specific and are defined in consultation with internal stakeholders such as Risk Management.
- The degree of materiality is calculated using factors that deviate from the actual percentage likelihood of occurrence, since otherwise too many sustainability topics with a low probability would be covered by the materiality threshold.
- The value for financial materiality is obtained by multiplying the magnitude of a financial effect by the factors relating to its likelihood.
- The financial effects of sustainability matters must be disclosed if they are critical, significant or material.

Financial materiality	
5	Critical
4	Significant
3	Material
2	Important
1	Informative
0	Minimal

here run the risk not only of reputational damage but also potentially of large fines or of restrictions being imposed by supervisory authorities. Details of the relevant risks to the Group are provided in the topical chapters on the environment, social matters and governance.

Relevant sustainability risks that are identified in the materiality assessment are integrated in Group Risk Management using adequate risk management processes for their ongoing assessment, management and reporting. For example, a series of workshops were held in financial year 2024 to identify and assess climate change-related transition risks.

Sustainability risks are identified during the risk inventory, during risk surveys performed as part of the emerging risk process (see the risk report in the combined management report) and in surveys or series of workshops on specific topics.

The emerging risk process investigates and assesses new or changing risks with an uncertain yet material potential for losses with regard to global developments and trends. The assessment draws on a variety of sources, methods and feedback loops, and analyses the risk drivers and cause-and-effect mechanisms across the value chain. Adequate risk management is ensured by following up the risk identification and assessment phases with the definition of appropriate risk management measures. Relevant functions are included and the outcomes reported to the decision-making bodies so as to ensure an end-to-end picture of the risks is obtained at segment and Group level.

A number of Talanx Group functions continuously monitor current business, scientific and regulatory developments so as to prevent losses caused by sustainability risks. Proactively addressing sustainability matters allows the Group to react swiftly to changes and to leverage emerging business opportunities, such as increased demand for (re)insurance products or the growing need for consulting on loss prevention.

The Talanx Group is successively expanding the methods it uses to measure and model sustainability risks from both a qualitative and a quantitative perspective. One key instrument here is the internal risk capital model used to calculate Solvency 2 capital requirements, which has been approved by the supervisory authority. Among other things, this assesses the risk of natural catastrophe events for the Group as a whole for the coming financial year.

No material non-financial risks that could have severe negative impacts on the Talanx Group's business activities were identified in the reporting year. See the risk report in the combined management report for further information on sustainability risks, and particularly climate change risks, plus a more detailed look at the risk management system including the Talanx Group's risk profile.

More granular information on concrete risks is provided in the topical sections on environmental, social and governance information. [IRO-1 53 c iii, 53 e]

Opportunity management

Proactively addressing sustainability matters allows the Group to react to change and to leverage emerging business opportunities across the entire value chain.

Sustainability matters form part of Group-wide opportunity management. The integrated management dashboard of material metrics is the core element of the opportunity management process, linking strategic and operational opportunity management. Group management uses the strategic opportunity management process to assess the strategic goals and specific strategic core issues, and to break these down into target indications for the divisions. For example, this allows the market potential – measured in terms of insurance revenue – of providing insurance cover for a new, sustainable business model to be determined.

Environmental matters: The extreme weather conditions induced by climate change are leading among other things to increased demand for insurance protection in both primary insurance and reinsurance. The Talanx Group's risk management experience allows it to offer customers tailor-made insurance solutions to cover existential risks. In addition, climate change is making it increasingly necessary to use renewable energy to meet growing energy needs. As an institutional investor, the Talanx Group can increase the amount of money it invests in alternative investments in renewable energy such as wind farms.

Social matters: The Talanx Group also has opportunities in the social area. On the one hand, demographic change is leading to sales opportunities for the Talanx Group, since new customer needs are emerging. For example, young customers need to save more for their retirement as the benefits provided by the social security system decline. On the other hand, proactive human relations policies leading, for example, to employee retention enable the Talanx Group to position itself as an attractive employer despite the shortage of specialist staff.

Governance matters: Equally, the Talanx Group has opportunities in the governance area. Governance matters are one aspect in the assessments made by rating agencies. Strong governance also has a positive impact on ratings and hence on funding terms.

More detailed information on Talanx's opportunities is provided in the topical sections on environmental, social and governance information.

1.3.2 Topical disclosures on the process of identifying and assessing IROs

In line with the ESRS requirements, the following section presents the topical disclosures on the process of identifying and assessing impacts, risks and opportunities for the topics of climate change, pollution, water and marine resources, biodiversity and ecosystems, and resource use and circular economy.

1.3.2.1 Climate change

The Talanx Group identifies and assesses potential climate change-related impacts, risks and opportunities in three areas: asset management, underwriting and own operations (see also the table entitled "E1 Climate change" in section 1.4.3 "Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)". According to the materiality assessment performed in the reporting year, three climate-related and environmental topics are material for the Talanx Group: promoting climate change mitigation in asset management, mitigating the consequences of climate change in underwriting and the Group's direct and indirect greenhouse gas emissions resulting from its energy-related operating activities. These topics are material in relation to climate change adaptation and climate change mitigation. [E1 ESRS 2 IRO-1 AR 9 a]

The climate-related impacts have been identified as follows:

As regards asset management, the Group incorporates ESG factors such as GHG intensity, which play an important role here, in its strategic management. One way of doing this is by using ESG ratings from established rating agencies. The aggregated data enable the Group to formulate measurable ESG ambitions and hence to systematically align its selection of investments with sustainability criteria. This not only takes local market conditions into account in an appropriate manner, but also actively supports the transformation to a more sustainable economy. [E1 ESRS 2 IRO-1 20 a]

The Company screens its Group-wide engineering insurance activities annually, collecting data suitable for helping with implementing underwriting restrictions. The Group's conscious decision to exit thermal coal risks and its introduction of restrictive business policies for at-risk sectors such as oil and gas have led to it making substantial progress in reducing insurance cover for emissions-intensive business activities. [E1 ESRS 2 IRO-1 20 a]

Quantifying and disclosing Scope 1 and Scope 2 emissions using the GHG Protocol guidance plays a key role in capturing data on emissions from operations. In addition, steps have already been taken to improve Scope 3 emissions reporting. These focus in particular on integrating data centres and cloud computing, the use of capital goods, business travel and employee commuting. In addition to emissions from operations, the Group examines the GHG emissions from the insurance and investment portfolios and takes their impacts on climate change into account during its materiality assessment. To date, this has only been performed at a qualitative level for underwriting. Chapter 2 "Environmental information" presents the Group's reactions and actions taken in the case of those impacts that were classified as material during assessment. Section 2.2.9 "Gross Scopes 1, 2, 3 and Total GHG emissions" shows how the Talanx Group calculates emissions. [E1 ESRS 2 IRO-1 20 a, AR 1 a, b]

The Talanx Group is currently working to calculate and disclose the associated emissions from its insurance portfolio (as an entity-specific topic). ESG ratings from established ratings agencies are used for investments in corporate bonds and equities so as to ensure that the Group's investment portfolios can be determined objectively. The Talanx Group also creates its own ESG score that assesses the sustainability of certain investments based on ESG ratings. [E1 ESRS 2 IRO-1 20 a, AR 9 b, AR 10]

Group Risk Management systematically and regularly identifies and assesses climate change-related risks. [E1 ESRS 2 IRO-1 AR 12 a]

Different approaches are used to assess climate change-related physical and transition risks: both risk types are included in the semi-annual risk inventory and the annual emerging risk process, among other things. In addition, the climate change stress test focuses on the quantitative assessment of physical risks, whereas transition risks are assessed qualitatively in a series of workshops. Both processes are performed annually and use short-term (up to five years), medium-term (six to 15 years) and long-term (16 to 30 years) time horizons. These time horizons deviate from the ESRS 1 definition since they are based on the requirements for climate change risk analysis contained in the BaFin Guidance Notice on Solvency 2 reporting that was published on 26 September 2022; they do not necessarily reflect the Group's strategic planning cycles (including capital budgeting) or the expected investment holding period. However, the short-term time horizon also corresponds to the planning horizon that is currently considered as part of multi-year business planning. [ESRS 2 BP-2 9 a, b]

A detailed description of the two processes and of the results determined for financial year 2024 is given in section 2.2.12 "Environmental matters in risk management". Where necessary, these are supplemented by surveys on specific topics. [E1 ESRS 2 IRO-1 20 b, c, AR 11, AR 12 a, b, c]

One key instrument used in quantitative assessment is the internal risk capital model, which among other things estimates the risk of natural catastrophe events for the Group as a whole for the coming financial year. Parameter settings for some components of this model are adjusted to reflect sustainability risk factors, with higher risk weightings being assigned to take the probable consequences of climate change into account. In addition, the Talanx Group addresses model risks and change risks due to the high level of uncertainty associated with climate change risks, which materialise over the long term, and to limited data availability. This uncertainty regarding the appropriate risk parameters and the particular importance of climate change have led the Talanx Group to also use scenario analyses, which aim to estimate potential impacts with the help of climate change stress tests.

In its Own Risk and Solvency Assessment (ORSA), the Talanx Group considers two different climate scenarios examining the range of potential events between a global transition on the one hand and a world in which no climate policy actions are taken on the other. The Group bases this on current scientific findings from respected research institutes and initiatives such as the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS). The first scenario, which entails low carbon emissions, is based on a 2°C temperature increase compared to pre-industrial levels and corresponds roughly to the IPCC's Representative Concentration Pathway (RCP) 4.5 (this also covers the assumed increase in temperatures in the IPCC's Shared Socio-economic Pathway (SSP) SSP1-2.6). The second scenario, which postulates unchanged high levels of emissions, assumes a 4°C temperature increase compared to pre-industrial levels; this is significantly more extreme than RCP 8.5 and also goes beyond the temperature increase assumed by the IPCC in its worst-case scenario, SSP5-8.5. Both scenarios are based on an internally developed climate change-based approach to assessing nat cat risks. The climate scenarios used do not necessarily agree with the climate-related assumptions made in the financial statements, since assessment of the technical provisions requires a best-estimate approach to be taken. By contrast, the climate scenarios do not adopt such a best-estimate perspective. [E1 ESRS 2 IRO-1 20 c, AR 11 d, AR 12 c, AR 13, 21, AR 15]

Both material climate change-related physical risks and material climate change-related transition risks were identified in the reporting year; these are presented in the table entitled "Material climate-related risks for the Talanx Group" in section 2.2.12 "Environmental matters in risk management". At present – factoring in the measures that have either already been implemented or are available in principle (for example, liquid investments can be traded daily, and non-life insurance contracts normally have annual termination rights) – there are no signs that the impacts on the Talanx Group resulting from the material risks are severe.

1.3.2.2 Pollution

As an insurance undertaking, the Talanx Group does not have any own production facilities that materially impact the environment. Consequently, it does not conduct consultations with communities affected by pollution.

No material impacts, risks or opportunities related to pollution or dependence on ecosystem services could be identified for the Talanx Group on the basis of the risk inventory and the materiality assessment.

1.3.2.3 Water and marine resources

The Talanx Group did not identify any material business activities during its materiality assessment for which impacts, risks or opportunities related to water and marine resources could occur in its own operations, its investment activities or its insurance business. No consultations were conducted with affected communities in relation to the topics of the use of water and marine resources.

1.3.2.4 Biodiversity and ecosystems

The Talanx Group's materiality assessment did not result in any material impacts for the topic of biodiversity and ecosystems that are related to its own operations and to its business activities in the areas of asset management and underwriting. The materiality assessment also took the international perspective provided by the Group's locations into account by involving the companies' sustainability experts in the assessment. After performing the assessment, the Talanx Group was unable to determine any material sources for impacts on biodiversity at its locations.

Equally, no material dependencies as defined by the materiality assessment on biodiversity or ecosystems and their services were identified either at its own locations or in the upstream and downstream value chain. No assessment of ecosystem services was performed in this context either. No material transition risks or physical risks and no opportunities that could have material financial impacts were identified in connection with biodiversity and ecosystems during the materiality assessment and the risk assessments performed. Consequently, the Talanx Group did not conduct any consultations with affected communities on sustainability assessments of shared biological resources and ecosystems.

1.3.2.5 Resource use and circular economy

The Talanx Group's materiality assessment did not result in any material impacts being determined in relation to its activities in its own operations, in asset management, in the insurance business or other lines of business for the resource use and circular economy group of topics. In particular, matters such as paper consumption, the circular economy and waste management were examined in detail, but no significant negative or positive impacts on people or the environment were identified. Equally, no material risks or opportunities related to resource use and circular economy could be determined based on the risk inventory performed and the materiality assessment using the methodology described. Furthermore, no consultations were conducted with affected communities in relation to the topics of resource use and the circular economy.

The Talanx Group will continue to monitor these topics as part of its regular reviews and updates of its materiality assessment.

1.3.3 Disclosure Requirements in ESRS covered in the sustainability statement (IRO-2)

The Talanx Group reports the key information related to its material impacts, risks and opportunities in its sustainability reporting. This information is based on internal strategies, policies, data, actions and targets. The relevant information is identified, managed and prepared for reporting by the Group experts concerned. For example, social matters in sustainability reporting are the responsibility of the experts from Group People & Culture. Experts from Group Compliance and the Group Corporate Office are responsible for governance matters, and Group Strategy & Sustainability experts for environmental matters. These experts coordinate liaison with the asset management and underwriting functions and with own operations. In addition, they liaise with the Group units. Group Strategy & Sustainability handles liaison for both the materiality assessment and reporting. [ESRS 2 IRO-2 59]

The "List of Disclosure Requirements met" that is given in the Appendix to the sustainability statement shows which ESRS datapoints are met by the reporting.

1.4 Strategy and business model

1.4.1 Strategy, business model and value chain (SBM-1)

Business model and product offering

The Talanx Group is a global multi-brand provider in the insurance and financial services sector.

The Group parent is Talanx AG, a listed company based in Hannover, Germany. HDI V. a. G., a mutual insurance undertaking formed more than 120 years ago, is the majority shareholder in Talanx AG with an interest of 76.74%. A total of 23.26% of the shares, including employee shares, are held in free float.

The Talanx Group has 31,000 employees worldwide.[1] A geographical breakdown is given in the “Employee head count in countries” table in section 3.3 “Social metrics”. [SBM-1 40 a iii]

Originally a pure-play industrial liability insurer, the Talanx Group has evolved into a global insurance group focusing on corporate & speciality insurance, retail insurance and reinsurance. [SBM-1 40]

The Talanx Group is active in more than 175 countries around the world. Its retail business is focused on Germany and, at the international level, primarily on the growth regions of Central and Eastern Europe (including Türkiye) and Latin America. The Talanx Group’s Corporate & Specialty and Reinsurance segments do business around the world, with the focus here being on Europe, Latin America, the USA and Asia.

The Talanx Group’s main products and services are corporate & specialty insurance, retail insurance and reinsurance. The Group aims to develop and offer sustainable insurance products in response to growing customer and market demand for these. No material changes were made to the Talanx Group’s products in the reporting period. Talanx’s products are not subject to any prohibitions. [SBM-1 40 a, AR 12, AR 13, AR 14]

TALANX AG’S DIVISIONS, PRODUCTS AND BRANDS

TALANX AG

CORPORATE & SPECIALTY DIVISION	RETAIL INTERNATIONAL DIVISION	RETAIL GERMANY DIVISION	REINSURANCE DIVISION	FINANCIAL AND OTHER SERVICES
HDI	HDI	HDI	Hannover Re	ampega. Talanx Investment Group
	warta.	neue leben Versicherungen	E+S Rück	talanx. Reinsurance Broker
	EUROPA UBEZPIECZENIA	TARGO·VERSICHERUNG Schutz und Vorsorge		
	Yelum	Life Style Protection		

[1] This sustainability statement uses the ESRS definition of "employees" (see section “3.3 Social metrics”).

The Talanx Group has a decentralised structure, with the divisions performing their core processes independently. This gives them a high level of entrepreneurial freedom and enables them to make the best of the opportunities for growth and profit in their individual markets. The Group has broken down its business activities into reporting segments for management purposes in accordance with IFRS 8. [SBM-1 40 b]

In its Primary Insurance operations, the Talanx Group did not exercise the option to omit specific pieces of information about intellectual property, know-how or results of innovation, or information regarding impending developments or matters in the course of negotiation as provided for in articles 19a(3) and 29a(3) of EU Directive 2013/34/EU. The Hannover Re Group exercised the omission option. [SBM-1 41]

Primary Insurance comprises the Corporate & Specialty, Retail Germany and Retail International divisions.

Business in the Reinsurance Division is conducted by the Hannover Re Group.

Group Operations firstly includes Talanx AG, which primarily performs strategic functions and acts as an internal reinsurer for the Group. In addition, the segment includes HDI AG, which acts as the employer company for the German Primary Insurance Group, and the Ampega companies, whose main task is to manage the Group's investments. [SBM-1 AR 14 c]

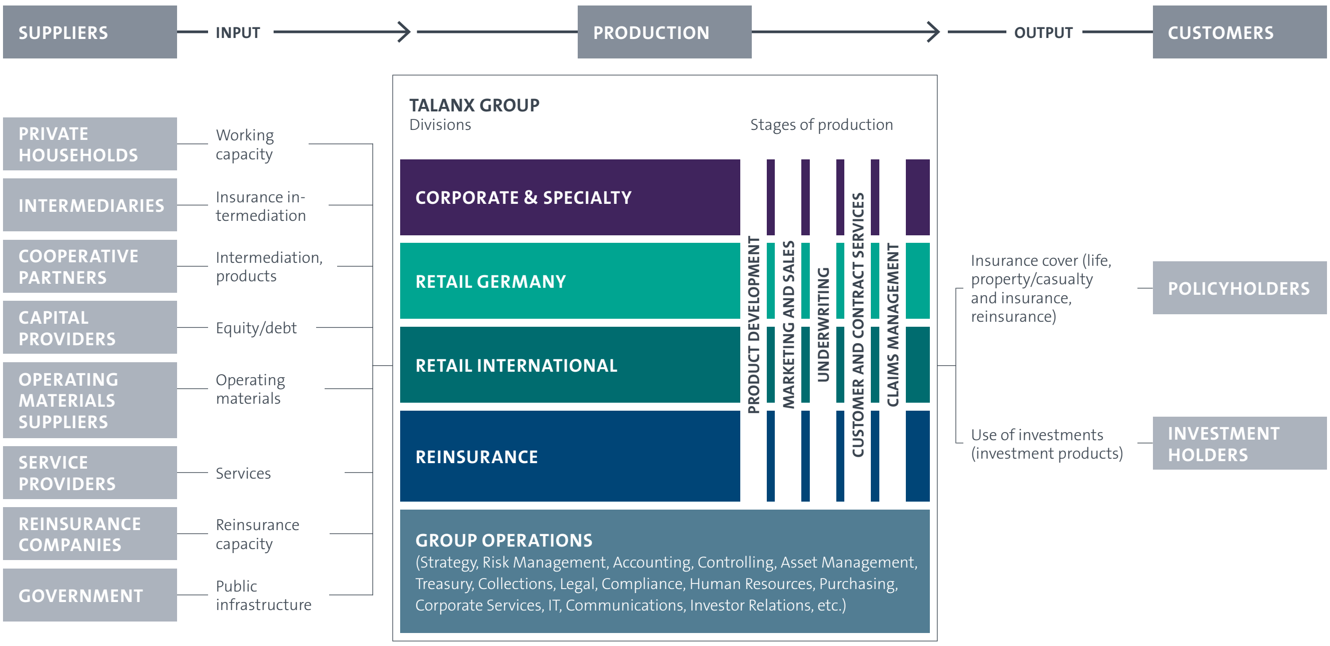
Value chain

The Talanx Group's activities are broken down into three value-creating activities – own operations, asset management and underwriting – in keeping with the business model for an insurance undertaking:

- **Own operations:** This comprises those activities associated with the undertaking's own business operations. Such activities include e.g. the impact of the undertaking's own premises or vehicle fleet that are independent of its insurance activities or investments but that are nevertheless needed to produce the product or render the service, and to maintain the business model[1]
- **Asset management:** This covers all investment activities by the Talanx Group on the money, capital and real estate markets or relating to infrastructure projects
- **Underwriting:** This comprises the specific insurance and reinsurance activities, and hence the processes and workflows associated with the insurance product

Since the Talanx Group is an insurance undertaking, its sales staff play a critical role. In its business operations they have been assigned to the upstream value chain. Chapter 3 "Social information" goes into detail on how the Group uses good working conditions and the like to support employee retention, and how it ensures skills development. As it shows, this increases customer satisfaction and customer loyalty, and so ensures the Group's business success. Other material players in the upstream value chain are capital providers, intermediaries, cooperative partners, suppliers of operating materials, service providers, reinsurers and the government.

THE TALANX GROUP'S VALUE CHAIN



[1] Own operations do not include the consolidated real estate and infrastructure investments that are held solely for investment purposes.

Uncertainties exist as to how to interpret the ESRS, especially given the Talanx Group's insurance-specific business model. This applies among other things to the definition of the value chain as opposed to own operations. In this context, the Talanx Group has defined its actual insurance activities and its investment activities (including investments in real assets) as being assigned to the downstream value chain.

The Group's stakeholders also benefit from the Group's top priority of ensuring sustainable, profitable growth and hence creating long-term value. Sustainable, profitable growth not only generates value for investors, but also secures and creates jobs in the Group's companies around the world. The various Group segments' insurance customers also benefit from the Group's long-term financial stability, since this secures the insurance services provided long into the future and also lays the foundations for long-term customer relationships. What is more, profitable growth leads to a continuous expansion of the offering to other risk types and customer groups, while also permitting a low cost ratio and hence ensuring that cost-effective insurance protection can be offered. [SBM-1 42, AR 15]

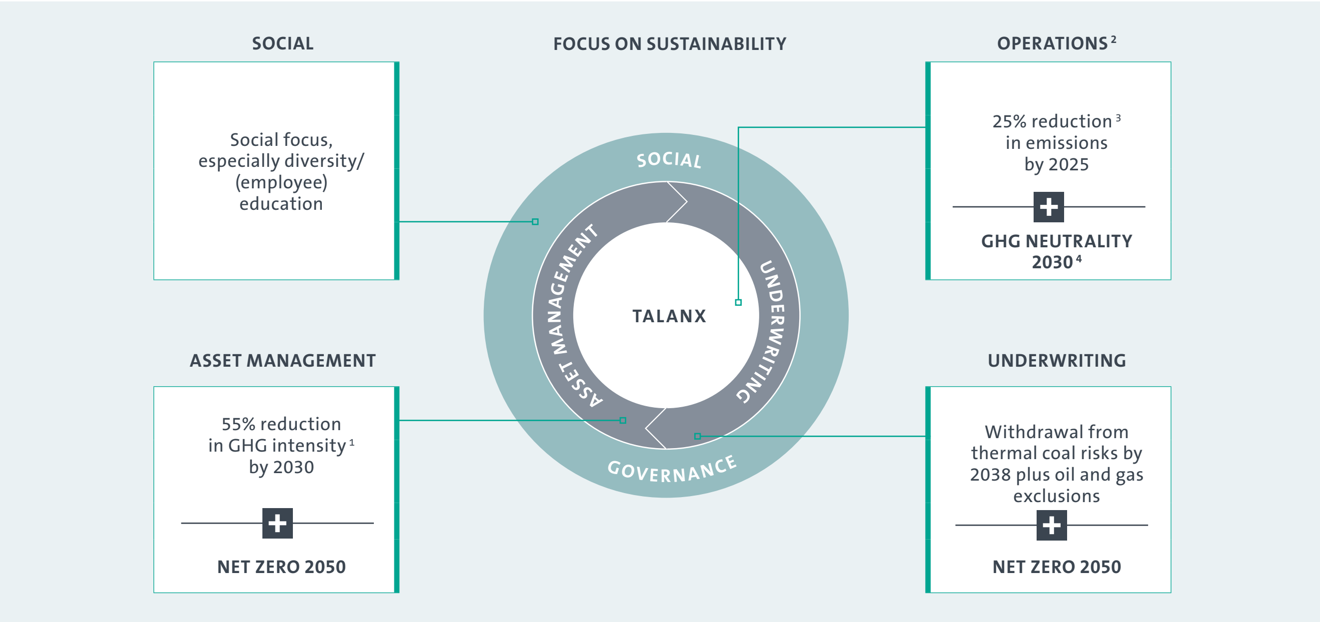
Sustainability strategy and targets

The Group's top priority is to ensure sustainable, profitable growth and hence long-term value creation. This goal also forms the basis for all divisional strategies, which are derived from the Group strategy.

The Talanx Group has set out its growth and profitability targets in its Group Strategy 2025. Updates to the Group strategy are made during the strategy cycle.

The Group's sustainability strategy is an integral part of the Group strategy. It is based on the targeted implementation of specific ESG (environmental, social and governance) matters throughout the entire value chain. The sustainability strategy concentrates on environmental matters in asset management, underwriting and own operations, on the Group's social focus and on ensuring adequate governance. [SBM-1 38, 39, 40 e, f]

TALANX'S SUSTAINABILITY STRATEGY



1 Reduction in the GHG intensity of the liquid corporate bond portfolio (including covered bonds, equities and near-public sector issuers) by 2030 compared to the 2019 base year.
2 As a matter of principle, own operations targets do not include the consolidated real estate and infrastructure investments that are held solely for investment purposes.
3 Reduction in Scope 1 and Scope 2 emissions in Germany compared to the 2019 base year.
4 Including offsetting of remaining emissions.

The sustainability strategy is reviewed at least once a year, reflecting new insights, the legal framework and changed stakeholder requirements, among other things (see section 1.3 "Materiality assessment").

In addition, the review involves a systematic examination of risks and opportunities relating to sustainability matters. The Group's sustainability-related impacts on society are also taken into account. The Board of Management then adjusts or confirms the sustainability strategy on the basis of this review. This is done in the context of the Group's overall strategy, so as to ensure that all decisions are aligned with the Group's corporate values and long-term goals.

During sustainability strategy updates, stakeholder engagement takes place both in connection with the materiality assessment, and in during the joint preparation and discussions of adjustments to the strategy by the Group-wide network of experts. In addition, a dialogue is held with external stakeholders such as investors or NGOs. Systematic engagement with employee representatives takes place among other ways via the regular presentations of the sustainability strategy to the Supervisory Board. [SBM-2 43, 44, 45 c, d, AR 16]

The strategy process review and the recent materiality assessment confirmed the goals and the basic thrust of the sustainability strategy.

The sustainability strategy graphic shows the Talanx Group's overarching goals, which are underpinned by policies and, where appropriate, by additional targets, actions and ambitions, and which are presented in detail in the topical chapters. [SBM-1 40]

Environmental

The Talanx Group is committed to supporting the transformation to a low-carbon economy. To do this, it has defined strategic ambitions across its entire value chain. It aims to provide support for decarbonisation on the one hand while minimising risks such as the emergence of stranded assets and negative impacts on the Group on the other.

With respect to its global own operations, the Talanx Group has set itself the goal of reaching GHG neutrality (including offsetting remaining emissions) by 2030 at the latest.[1, 2]

Since Talanx is an insurance undertaking and hence also a service provider for the financial sector, the impacts from its own operations are limited. More than 99% of the Talanx Group's total emissions are attributable to its value chain.

However, the Group's downstream value-creating activities – underwriting and asset management, which comprise its core business – give it much more leverage for combating climate change.

In line with this, the Talanx Group is pursuing the ambition of reaching net zero emissions by 2050 in its insurance and investment portfolio. Additional information on the Group's net zero ambitions can be found in section 2.2.9 "Gross Scopes 1, 2, 3 and Total GHG emissions". As a company active in the financial services sector, however, the Talanx Group cannot itself manage the emissions attributed to it in the two sub-sectors, but is dependent on external factors to achieve its net zero ambitions. The most important preconditions for doing this are as follows:

- Decarbonisation of the financed or insured undertakings
- The availability and high quality of underlying data at the global issuers and customers
- Uniform definitions and methods for quantifying decarbonisation and target-setting
- Corresponding political and regulatory frameworks

Its strategic focus in its underwriting and investment is on exiting insurance and finance for particularly polluting business models, a process that is being driven forward through the use of Group-wide exclusions. Screening criteria can be established for specific sectors, customer groups and risk types, and relate to a wide range of products in the business segments. Exclusions apply globally; no geographical differences are made.

For example, a phaseout pathway ending in 2038 has been defined for thermal coal risks. In addition, underwriting exclusions for certain conventional oil and gas projects took effect in July 2023, including a general exclusion on project insurance for new greenfield oil and gas projects. Further restrictions were defined in 2024 and the date by which all existing risks associated with oil sands extraction and processing will be phased out was brought forward to the end of 2025. Another exclusion applies to deep sea mining project policies.

In underwriting, the sustainability strategy covers the retail business in Germany, other European countries and Latin America, the corporate & specialty business and facultative reinsurance. The exclusions of particularly environmentally detrimental risks mainly relate to the last two business areas, in which the Talanx Group operates globally. In addition to the exclusions, the sustainability strategy expresses the fact that the Talanx Group sees itself as a partner for industry, especially in its global corporate & specialty insurance business.

The Group aims to support the transformation process and helps customers with ambitious transformation plans by, for example, performing risk assessment and providing insurance cover for sustainable technologies and transition risks. In this context, it is also important to support those customers that still have to make the biggest changes. Consequently, underwriting emissions can only be phased out gradually.

[1] As a matter of principle, own operations targets do not include the consolidated real estate and infrastructure investments that are held solely for investment purposes.
[2] The Talanx Group always takes decisions on the basis of current data and the applicable regulatory framework. It reserves the right to update such decisions if the preconditions for them change.

In 2024, the Group focused on tightening its positioning on fossil fuels in its investment activities and hence pushing forward with decarbonising its investment portfolio as well.

For example, from 2024 onwards exclusions have applied to the fracking of shale gas and shale oil in addition to the existing exclusions for oil and tar sands and Arctic Region drilling projects. Starting in 2025, there will be a systematic reduction in exposures along the entire value chain for the oil and gas sector. For example, the oil & gas sector quota of Talanx's liquid corporate bond portfolio is to be reduced by 20% over the next five years, from the current figure of 5.7% to 4.5%. In addition, the existing thermal coal exclusion policy for investments was tightened.

However, a large proportion of the investments made take the form of debt capital, and the Talanx Group's opportunities for directly influencing emissions relating to these investments are extremely limited. The Talanx Group's debt portfolio largely consists of government bonds and bonds from public authorities, on which no influence is exerted. Most of these public sector bonds also cannot be substituted due to the regulatory requirements governing the provision of financial services and funding. The GHG intensity (Scopes 1 and 2) for the government bonds in Talanx's portfolio is roughly twice that for corporate bonds. This means that the Talanx Group is only able to manage emissions in its investment portfolio to a limited extent.

Underscoring its net zero ambition in asset management, the Talanx Group is not only focusing on reducing the GHG intensity of the investment portfolio but is also ramping up its investments in assets and projects to combat climate change. Chief among these are investments in sustainable infrastructure projects. Among other things, the infrastructure portfolio includes equity investments and debt finance for wind farms, solar farms, power grids and sustainable transport infrastructures in Germany and the rest of Europe.

Further details of the policies adopted and actions taken are provided in chapter 2 "Environmental information". [SBM-1 40 e, f, g]

Social

The sustainability strategy review performed in 2022 created a uniform framework for the Talanx Group's social responsibility activities, which are generally organised at local level, and embedded this in the Group strategy. Four strategic action areas were defined:

- Diversity, equity and inclusion
- Employee journey
- Ensuring access to education and
- Promoting access to infrastructure

Policies and actions in these action areas that relate to the own workforce are described in section 3.1 "Own workforce". In addition, the last two action areas are a strategic focus for social matters in asset management and underwriting. The Group's decentralised organisational structure and the Group units' strong local roots mean that each subsidiary and branch chooses their own projects, allocates their own resources to them and assesses their effectiveness with respect to the sustainability strategy.

The main topics addressed in chapter 3 "Social information" of this sustainability statement are employees' working conditions and the diversity, equity and inclusion action area, since these were identified as material reportable topics in the materiality assessment and are covered by the S1 topical standard. [SBM-1 40 g]

Governance

Governance of the Group is both an important issue for the capital markets and another key focal point of the sustainability strategy. The Group regularly addresses and implements governance requirements.

Governance at the Group has many facets and is operationalised by the experts in specialist departments such as Compliance, the Corporate Office and Cybersecurity. Chapter 4 "Governance information" presents the Talanx Group's general governance policies and actions. It focuses in particular on the Group's corporate culture, and on preventing and detecting corruption and bribery. [SBM-1 40 g]

1.4.2 Interests and views of stakeholders (SBM-2)

Since the Talanx Group has a large number of upstream and downstream actors, an aggregated approach is taken for reporting in which the most relevant stakeholder groups are mentioned. The Talanx Group's key stakeholders are:

- Employees
- Customers
- Investors
- Suppliers and service providers
- NGOs
- Research and academia
- Industry and sustainability associations

ENGAGEMENT WITH KEY STAKEHOLDERS[1] (SBM-2 45 A, S1 ESRS 2 SBM-2 12, AR 4, S4 ESRS 2 SBM-2 8, AR 4)

	Engagement format	Purpose of engagement	Examples of engagement outcomes
Employees	■ Dialogue between employees and managers during employee reviews ■ Variety of dialogue formats between Board of Management and employees ■ Company representatives are guests at works meetings ■ Regular dialogue, consultations and negotiations between the Board of Management/Group People & Culture and the works councils/works council committees ■ General and topic-specific employee surveys	■ Employee retention through trust-building and identification with the Group ■ Inclusion of employee perspectives and suggestions ■ Systematic embedding of strategy and culture	■ Support for the establishment of internal corporate networks and communities ■ Results of employee surveys
Customers	■ Customer surveys give customers the opportunity to communicate matters affecting them ■ Use of Net Promoter Score to measure customer loyalty ■ Trend analyses and market observation allow the Talanx Group to identify customer requirements ■ Pilot projects used to test whether customer needs are being met ■ Direct customer advice is aligned with customer needs	■ Long-term, trust-based customer retention ■ Partnership-based support for customers ■ Adherence to Code of Conduct in relation to customers as well	■ Customer-centric products and services ■ Maintenance and expansion of market share ■ Results of customer surveys
Investors	■ ESG ratings ■ Regular dialogue with investors and analysts ■ Capital market events: road shows, Capital Market Days ■ General Meeting	■ Long-term investor relationships ■ Attracting sustainability-oriented investors ■ Transparency as to investor requirements	■ Plans to improve ESG ratings ■ Comprehensive, precise ad hoc answers during events
Suppliers and service providers	■ Due diligence checks and risk analysis in accordance with the German Supply Chain Due Diligence Act (LkSG)	■ Compliance with the LkSG ■ Compliance with the Code of Conduct including compliance with human rights requirements	■ Stable supply chains ■ Stable supplier relationships ■ Results of the LkSG risk analysis
NGOs	■ Specific inquiries from NGOs regarding concrete projects ■ Direct dialogue with contacts at selected NGOs ■ Participation in scoring exercises by NGOs	■ Raised awareness of projects or customer relationships entailing social or environmental risks ■ Avoidance of reputational risks	■ Basis of discussion for positioning against business models with particularly high levels of emissions and projects with significant environmental and social risks
Research and academia	■ Collaboration on joint projects ■ Contribution to research projects ■ Awareness and inclusion of academic publications	■ Knowledge transfer and dialogue	■ Adoption of proven actions and methodologies ■ Insights into forward-looking topics
Industry and sustainability associations	■ Workshops and knowledge sharing ■ Joint programmes	■ Knowledge sharing ■ Development of best-practice policies ■ Development of a joint perspective on regulatory developments and, where appropriate, contribution to joint opinions	■ Joint perspective on e.g. regulatory requirements within the sector

[1] Interactions with the Board of Management and Supervisory Board stakeholder groups are shown in section 1.2.2 "Sustainability matters during the reporting period (GOV-2)".

The Talanx Group is in constant dialogue with its stakeholder groups. The "Engagement with key stakeholders" table shows the key stakeholders and engagement formats. The question of whether additional stakeholder groups can be included is continuously reviewed. Particular attention is paid here to the Group's international nature, and the need to ensure a balanced range of opinions is emphasised. Regular surveys are used to obtain feedback from customers and employees (see chapter 3 "Social information"). The Group uses its memberships of a range of associations and organisations to engage in a dialogue with other market participants, NGOs and stakeholder groups at national and international level. The funding given to academic projects facilitates dialogue with the research and academic communities. As regards sustainability investors and analysts more specifically, the Talanx Group participates among other things in a number of different ESG rating processes such as those conducted by the CDP, MSCI and Sustainalytics.

Stakeholder engagement is an important element of the materiality assessment. The viewpoints of all relevant stakeholder groups are represented by employees who are in regular contact with these groups, and who have an in-depth understanding of their requirements and needs. The results of the stakeholder dialogues are analysed and taken into account during the sustainability strategy review. The Talanx Group's management and supervisory bodies are also informed about stakeholders' views and interests as part of this strategy review. [SBM-2 44, 45 a, b]

1.4.3 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The tables below show the material topics as outcomes of the materiality assessment.

The following four topical ESRS are material for the Talanx Group:

- E1 – Climate change
- S1 – Own workforce
- S4 – Consumers and end-users
- G1 – Business conduct

In addition, the topic of “data protection and cybersecurity” was identified as a material entity-specific topic and assigned to the reporting for the G1 standard. [SBM-3 48 h]

The tables are broken down by these four standards. At the sub-topic level, they show the impacts, risks and opportunities and indicate where these arise in the value chain. They also show the time horizon.

The materiality assessment performed by the Hannover Re Group identified the topic of “anti-competitive behaviour” as material; this applies to reinsurance only. This topic is presented in the separate table entitled “Additional material topics at subsidiaries: Hannover Re Group”.

Since the Talanx Group is active globally, its activities across the entire value chain are international. For example, its own operations are also managed via its international locations. Equally, since the insurance business and asset management are organised on an international basis their impacts, risks and opportunities are international. There are no material specific geographical features. [SBM-3 AR 17]

The Talanx Group has identified impacts, risks and opportunities across its entire value chain. Its material impacts, risks and opportunities and the actions needed to manage these are described in greater detail in the topical chapters. [SBM-3 47, 48 b]

Sustainability matters are included in the Talanx Group’s strategic decisions and can lead to adjustments to the business model, with impacts, risks and opportunities being taken into consideration in the process. This is done by the specialist departments on the one hand and at an overarching level by Opportunity Management and Risk Management on the other. One strategic goal is to maximise the positive impacts and opportunities, and to minimise negative impacts and risks.

This goal is embedded in the Group’s core processes. As an insurance undertaking, the Talanx Group consciously accepts risk in line with its business model so as to provide insurance cover for its customers; this also applies to sustainability matters. These risks are actively managed in Underwriting and Risk Management. At the same time, risks can also offer sales opportunities for the Talanx Group. For example, climate change and the increased occurrence of extreme weather conditions can result in greater demand for both primary insurance cover and reinsurance. This can also affect the Group’s business model, with certain products being developed and promoted but also exclusions being defined for specific products. [SBM-3 48 b]

This results in material impacts for the Talanx Group, both in relation to its business model and independently of it (i.e. in operations). For example, due to its business model the Group impacts the environment and society via its insurance products. Such impacts can be positive, by providing insurance protection against climate change impacts or by specifically promoting activities relating to climate change adaptation. On the other hand, the Talanx Group can also negatively affect the environment and society by, for example, providing insurance cover for industries that harm the climate. The situation in asset management is similar: here, too, a positive or negative impact may be produced by directing money to climate-friendly investments or climate-damaging industries. The impact on the environment and society in the case of both underwriting and asset management is indirect, via customers or issuers. For example, the Talanx Group’s own operations positively or negatively impact its own workforce since they actively determine employees’ working conditions. [SBM-3 48 c]

The table also shows the risks and opportunities that are currently considered to have a financial effect. The topical chapters describe the actions taken to mitigate the risks. In the short term, no material adjustments to the carrying amounts of the investments are needed; however, regular reviews are performed in order to identify potential financial losses at an early stage. [SBM-3 48 d]

In view of the qualitative and quantitative analyses of the material climate-related risks explained above, no concrete potential risks are ascertainable that existentially endanger the Talanx Group’s assets, liabilities, financial position and financial performance. The climate change stress test revealed that the Talanx Group has comfortable capitalisation ratios across all the time horizons examined. This means that the Group has a robust risk-bearing capacity.[1] [SBM-3 48 f]

[1] Qualifying this, it should be noted that the results of the stress tests are associated with substantial uncertainties and cannot be interpreted without acknowledging their limitations.

E1 CLIMATE CHANGE (SBM-1 AR 14, SBM-3 46, 48 A)

ESRS	Topic and sub-topic	IRO starting point	Dimension	Short description of IRO	Time horizon
E1	E1: Energy	Positive impact [1]	Own operations	Promotion of the shift towards renewable energy by sourcing electricity from renewable energy	Short term
E1	E1: Energy	Positive impact	Asset management	Support for the shift towards renewable energy by financing renewable power generation projects, and low-energy residential and commercial real estate	Short, medium and long term
E1	E1: Energy	Positive impact	Underwriting	Promotion of renewable energy expansion by offering underwriting expertise and innovative insurance solutions such as for geothermal energy or e-mobility	Medium and long term
E1	E1: Energy	Positive impact	Asset management	Support for investors in taking ESG criteria into account during investment by offering sustainable funds that address energy matters	Short, medium and long term
E1	E1: Energy	Negative impact	Underwriting	Increased carbon emissions, exacerbated climate change and global warming from energy supplies due to the provision of insurance cover for energy-intensive sectors and industries	Medium and long term
E1	E1: Energy	Negative impact	Asset management	Investments in energy-intensive sectors and industries leading to higher carbon emissions, exacerbated climate change and global warming	Short, medium and long term
E1	E1: Energy	Opportunity	Asset management	Investments in renewable energy leading over the medium to long term to positive impacts on investment, and resilience against external shocks and extreme climate events.	Medium and long term
E1	E1: Energy	Opportunity	Underwriting	Development of solutions for new markets/sources of energy (solar, hydrogen, geothermal energy, offshore wind power) and support for the shift	Medium and long term
E1	E1: Energy	Risk	Asset management	Reputational risk if "green funds" (Art. 8/Art. 9 funds) investing in gas or coal are offered	Short, medium and long term
E1	E1: Energy	Risk	Underwriting	Addressing new markets: new loss patterns (e.g. for electric vehicles) and pressure on premiums due to large supply	Medium and long term
E1	E1: Climate change mitigation	Positive impact	Own operations	Reduction in carbon emissions through sourcing green power from renewable energy, targets and action plans for achieving GHG neutrality (including offsetting of remaining emissions) by 2030 in operations	Long term
E1	E1: Climate change mitigation	Positive impact	Asset management	Directing capital flows towards sustainable investments by (partially) excluding investments in climate-impacting industries and carbon-intensive sectors	Long term
E1	E1: Climate change mitigation	Positive impact	Asset management	Contribution to reaching the Paris climate goals and to reducing emissions by committing to the Paris Agreement, resulting in the Group's ambition of "net zero emissions in asset management and underwriting by 2050", plus concrete measures resolved such as investments in sustainable infrastructure projects (e.g. wind farms and solar farms)	Short, medium and long term
E1	E1: Climate change mitigation	Positive impact	Underwriting	Support for the EU's Action Plan on Financing Sustainable Growth by designing sustainable products within the meaning of the Sustainable Finance Disclosure Regulation (SFDR) (Art. 8/Art. 9 products include mandatory GHG emissions indicators, for example)	Medium and long term
E1	E1: Climate change mitigation	Positive impact	Asset management	Indirect reduction of carbon emissions by promoting low-emission mobility	Medium and long term
E1	E1: Climate change mitigation	Positive impact	Underwriting	Climate change mitigation by offering Taxonomy-aligned insurance products	Medium and long term
E1	E1: Climate change mitigation	Positive impact	Underwriting	Insurance for less climate-damaging production processes (e.g. in especially energy-intensive areas such as steel and concrete)	Medium and long term
E1	E1: Climate change mitigation	Negative impact	Asset management	Contribution to global warming due to investments in carbon-intensive sectors	Medium and long term
E1	E1: Climate change mitigation	Negative impact	Underwriting	Damage to the climate due to provision of insurance cover for climate-damaging industries and undertakings involved in the extraction, storage, transport or manufacture of fossil fuels, or with vehicles, property or other assets dedicated to such purposes	Medium and long term
E1	E1: Climate change mitigation	Opportunity	Underwriting	Generation of profits and establishment of long-term customer relationships through insuring the transition to sustainable technologies	Medium and long term

[1] The Talanx Group is aware that using energy sources to maintain its own operations leads to carbon emissions and hence has negative impacts. This IRO addresses the promotion of renewable energy, resulting in a positive impact being disclosed.

Type	Impact materiality	Financial materiality	Current financial effects	Reaction/action (SBM-3 48 b)
Actual	x			Continued sourcing of electricity from renewable sources in Germany and increased sourcing in the Group's international units
Actual	x			Extension of and continued support for the shift towards renewable energy by financing additional renewable power generation projects
Potential	x			Extension and continued provision of underwriting expertise and innovative insurance solutions
Actual	x			Ongoing support for investors by offering and taking ESG criteria into account during investment and for sustainable funds
Actual	x			Planning and launching of future policies and actions to successively reduce emissions
Actual	x			Planning and launching of future policies and actions to successively reduce emissions
Potential		x	No current financial effects	Expansion of the investment volume and intensified market analyses plus continuous risk monitoring
Potential		x	No current financial effects	Expansion of the insurance offering and intensified market analyses plus continuous risk monitoring
Potential		x	No current financial effects	Continuation and intensification of screening and analyses when adding new forms of investment to the fund
Potential		x	No current financial effects	Intensified market analyses plus continuous risk monitoring and integration of pricing analyses
Potential	x			Planning and launching of future policies and actions to successively reduce emissions
Potential	x			Maintaining, reviewing and where necessary adapting or expanding exclusions for investments in climate-impacting industries and carbon-intensive sectors
Actual	x			Enhancements to Sustainable Investments and ESG Screening policies to successively reduce emissions. The goal is to reduce GHG intensity by 55% compared to 2019 in the period up to 2030
Potential	x			Ongoing development and design of sustainable products
Potential	x			Planning and launching of future policies and actions to successively reduce emissions
Potential	x			Ensuring the provision of Taxonomy-aligned insurance products
Potential	x			Ongoing insurance for less climate-damaging production processes
Potential	x			Planning and launching of future policies and actions to successively reduce emissions
Potential	x			Planning and launching of future policies and actions to successively reduce emissions
Potential		x	At present moderate premium effects for insuring sustainable technologies	Expansion of the insurance offering and use of technology to intensify customer relationships

E1 CLIMATE CHANGE (SBM-1 AR 14, SBM-3 46, 48 A)

ESRS	Topic and sub-topic	IRO starting point	Dimension	Short description of IRO	Time horizon
E1	E1: Climate change mitigation	Opportunity	Asset management	Earnings opportunity through directing investments into sustainable capital flows (profitability of sustainable investments)	Medium and long term
E1	E1: Climate change adaptation	Positive impact	Underwriting	Prevention of natural catastrophes and associated protection of the environment (society) by providing data for researchers/experts/the GDV, using early warning systems and statistics, and qualitative and quantitative scenario analyses for climate change adaptation	Short, medium and long term
E1	E1: Climate change adaptation	Positive impact	Underwriting	Promotion of climate change adaptation and financial protection for society by assuming ("new") climate risks, and risk mitigation through risk-based bonuses for taking preventive measures (provision of Taxonomy-aligned products)	Short, medium and long term
E1	E1: Climate change adaptation	Positive impact	Underwriting	Incentives promoting more sustainable ways of living in the form of insurance and bonuses for "sustainable solutions" such as using electric vehicles or energy-efficient housebuilding	Short, medium and long term
E1	E1: Climate change adaptation	Positive impact	Own operations	Improved quality of capital requirement calculations, greater financial stability and security for investors through the inclusion in the ORSA of qualitative and quantitative scenario analyses relating to climate change adaptation	Short, medium and long term
E1	E1: Climate change adaptation	Positive impact	Underwriting	General insurability of climate risks, financial protection for society and the ability to withstand natural catastrophes through risk-appropriate, stable product design and pricing while taking qualitative and quantitative scenario analyses relating to climate change adaptation into account	Medium and long term
E1	E1: Climate change adaptation	Positive impact	Asset management	Contribution to climate change adaptation through investing in environmentally sustainable economic activities aimed at climate change adaptation (such as the Taxonomy)	Short, medium and long term
E1	E1: Climate change adaptation	Negative impact	Underwriting	Gaps in insurance cover and financial risks to society due to a failure to insure climate risks (reinsurance). Certain risks (e.g. natural catastrophes) can no longer be insured, which has consequences for business	Medium and long term
E1	E1: Climate change adaptation	Negative impact	Underwriting	Unstable premiums and financial instability on the part of the insurer if increasing climate risks are not taken into account: existing policies might no longer be serviced	Medium and long term
E1	E1: Climate change adaptation	Negative impact	Asset management	Financial instability on the part of the insurer if increasing climate risks are not taken into account in investments: existing policies might no longer be serviced	Medium and long term
E1	E1: Climate change adaptation	Negative impact	Underwriting	Indirect promotion of social inequality due to premiums being unaffordable for individual sections of the population	Medium and long term
E1	E1: Climate change adaptation	Opportunity	Underwriting	Increased revenue thanks to insurance and risk transfer solutions for growing physical risks	Medium and long term
E1	E1: Climate change adaptation	Opportunity	Asset management	Increased income from investing in the transition to sustainable technologies	Medium and long term
E1	E1: Climate change adaptation	Opportunity	Underwriting	Increased revenue from the provision of consulting services for climate risk analysis and prevention	Medium and long term
E1	E1: Climate change adaptation	Opportunity	Underwriting	Potential revenue from offering Taxonomy-aligned insurance products in the sense of an environmentally sustainable economic activity that contributes to climate change adaptation	Medium and long term
E1	E1: Climate change adaptation	Opportunity	Underwriting	Enhancing Talanx's attractiveness to investors by disclosing high Taxonomy alignment ratios	Short, medium and long term
E1	E1: Climate change adaptation	Opportunity	Asset management	Enhancing Talanx's attractiveness to investors by disclosing high Taxonomy alignment ratios	Short, medium and long term
E1	E1: Climate change adaptation	Opportunity	Underwriting	Increased income from insuring the transition to sustainable technologies	Long term
E1	E1: Climate change adaptation	Risk	Underwriting	Loss of product profitability due to a rise in claims payouts (caused by a growing number of climate risk events such as extreme weather and associated accumulated claims)	Long term
E1	E1: Climate change adaptation	Risk	Asset management	Lower investment values and financial market losses due to the realisation of growing physical and transition risks	Long term

Type	Impact materiality	Financial materiality	Current financial effects	Reaction/action (SBM-3 48 b)
Potential		x	EUR 14.0 billion invested directly in sustainable investments. These investments meet the risk-reward requirements without producing a tangibly poorer yield in comparison to unsustainable investments	Expansion of the investment volume and intensified market analyses plus continuous risk monitoring
Potential	x			Ongoing provision of data for researchers/experts/the GDV, using early warning systems and statistics, and qualitative and quantitative scenario analyses for climate change adaptation
Potential	x			Ongoing provision of insurance services to insure against climate-related risks such as natural catastrophes and ensuring the provision of Taxonomy-aligned products
Potential	x			Ongoing incentives promoting more sustainable ways of living in the form of insurance and bonuses for “sustainable solutions” such as using electric vehicles or energy-efficient housebuilding
Potential	x			Ongoing assessment and management involving Group-wide specialist departments such as Risk Management and asset managers
Actual	x			Ongoing provision of products for insuring climate risks, financial protection for society and the ability to withstand natural catastrophes, taking qualitative and quantitative scenario analyses relating to climate change adaptation into account
Actual	x			Ongoing investment in environmentally sustainable economic activities aimed at climate change adaptation
Potential	x			Planning and launching of future policies and actions for a risk-adjusted approach to affected economies
Potential	x			Planning and launching of future policies to establish and handle the risk management requirements together with the specialist departments concerned
Potential	x			Planning and launching of future policies to establish and handle the risk management requirements together with the specialist departments concerned
Potential	x			Intensified market analyses plus continuous risk monitoring and integration of pricing analyses
Potential		x	The increase in natural catastrophe losses is adequately reflected in the premium	Intensified market analyses plus continuous risk monitoring and integration of pricing analyses
Potential		x	At present moderate premium effects from investments in sustainable technologies	Expansion of the investment volume and intensified market analyses plus continuous risk monitoring
Potential		x	No significant financial impacts, since most services are provided as part of existing insurance protection	Continuation and expansion of the offering from HDI Risk Consulting GmbH
Actual		x	No current financial effects	Expansion of the insurance offering and intensified market analyses plus continuous risk monitoring
Potential		x	No current financial effects	Expansion of the insurance offering and intensified market analyses plus continuous risk monitoring
Potential		x	No current financial effects	Expansion of the investment volume and intensified market analyses plus continuous risk monitoring
Potential		x	At present moderate premium effects for insuring sustainable technologies	Expansion of the insurance offering and intensified market analyses plus continuous risk monitoring
Potential		x	Increasing losses caused by extreme weather conditions and associated accumulated claims are being monitored, but are reflected adequately in the premiums	Planning and launching of future policies to establish and handle the risk management requirements together with the specialist departments concerned
Potential		x	No current financial effects	Planning and launching of future policies to establish and handle the risk management requirements together with the specialist departments concerned

S1 OWN WORKFORCE

ESRS	Topic and sub-topic	IRO starting point	Dimension	Short description of IRO	Time horizon
S1	S1: Working conditions	Positive impact	Own operations	Enhanced working conditions at the Talanx Group – among other things through regular working hours, a positive work-life balance and the various working time models on offer – reduce the strain on staff and positively impact their (mental) health	Short, medium and long term
S1	S1: Working conditions	Positive impact	Own operations	Facilitating enterprise participation rights can promote fair cooperation between employers and workers	Short, medium and long term
S1	S1: Working conditions	Positive impact	Own operations	Paying adequate wages/wages under collective agreements enables a good living for workers and their families	Short, medium and long term
S1	S1: Working conditions	Negative impact	Own operations	Poor working conditions at the Talanx Group could lead to workers being unhappy and to declining motivation, which could negatively impact performance, the working atmosphere and employee health (stress, burnout)	Short, medium and long term
S1	S1: Working conditions	Opportunity	Own operations	Working conditions have a direct influence on employee satisfaction and performance, which determine Talanx's reputation and hence also its financial performance	Short, medium and long term
S1	S1: Working conditions	Opportunity	Own operations	Working conditions are an important element of employer attractiveness, which is crucial to corporate success (recruitment of specialists)	Short, medium and long term
S1	S1: Working conditions	Opportunity	Own operations	An improvement in ESG ratings due to a positive assessment of the working conditions could positively impact sales	Short, medium and long term
S1	S1: Working conditions	Risk	Own operations	Reputational damage due to poor working conditions could paint the Talanx Group in a poor light in public and negatively impact its attractiveness to specialists	Short, medium and long term
S1	S1: Working conditions	Risk	Own operations	Higher wages and benefits caused by a competition for talent can increase recruitment and retention costs for the specialists required, and are a core challenge.	Short, medium and long term
S1	S1: Working conditions	Risk	Own operations	Lower ESG ratings have a negative influence on sales opportunities in some cases	Short, medium and long term
S1	S1: Equality/ non-discrimination	Positive impact	Own operations	If the Talanx Group promotes the principle of equal treatment within the Company, this can have positive impacts not only on the workforce, but on the economy and society	Short, medium and long term
S1	S1: Equality/ non-discrimination	Positive impact	Own operations	Training, CPD and upskilling employees is not just important for the Company, but also benefits the workforce itself	Short, medium and long term
S1	S1: Equality/ non-discrimination	Negative impact	Own operations	Discrimination and inequality can have major negative impacts on affected employees, with direct results such as damage to their health or lost career opportunities	Short, medium and long term
S1	S1: Equality/ non-discrimination	Negative impact	Own operations	A lack of training, CPD and upskilling negatively impacts employee satisfaction	Short, medium and long term

Type	Impact materiality	Financial materiality	Current financial effects	Reaction/action (SBM-3 48 b)
Actual	x			A large number of actions are used to achieve good working conditions and a good work-life balance: development of a positive corporate culture, health promotion and preventive measures, external advice and support, systematic assessment of work-place-related risks, and childcare and care support measures
Actual	x			Enterprise participation rights are based on national statutory rules. Works councils and employee representatives play a key role in representing employee interests
Actual	x			The payment of adequate wages is ensured by complying with collective agreements, by annual salary reviews and adjustments, and by remuneration analyses
Actual	x			A large number of actions are used to achieve good working conditions and a good work-life balance: development of a positive corporate culture, health promotion and preventive measures, external advice and support, systematic assessment of work-place-related risks, and childcare and care support measures
Actual		x	Indirect financial impacts caused by higher employee engagement and lower turnover rates. Quantification based on e.g. a survey on engagement (above average) and the turnover rate (below average)	A large number of actions are used to achieve good working conditions and a good work-life balance: development of a positive corporate culture, health promotion and preventive measures, external advice and support, systematic assessment of work-place-related risks, and childcare and care support measures
Actual		x	Indirect financial impacts caused by higher employee engagement and lower turnover rates. Quantification based on e.g. a survey on engagement (above average) and the turnover rate (below average)	Actions promoting corporate culture assist with the recruitment and retention of qualified staff. Support for family-friendly approaches also contributes positively to the Company's reputation. The childcare and care support measures and Parents@HDI contribute to this
Potential		x	No current financial effects	Networks such as Parents@HDI and childcare and care support measures promote a positive working environment and hence also help improve ESG ratings
Potential		x	No current financial effects	Networks such as Parents@HDI and childcare and care support measures promote a family-friendly corporate culture and hence also help to position the Talanx Group as an attractive employer
Potential		x	No current financial effects	The recruitment and retention of specialist staff is important for the Company's success and is supported by a variety of culture-boosting measures such as the actions promoting corporate culture. Support for family-friendly approaches also makes a positive contribution. The childcare and care support measures and Parents@HDI contribute to this
Potential		x	No current financial effects	Networks such as Parents@HDI and childcare and care support measures promote a positive working environment and hence also help improve ESG ratings
Actual	x			Strengthening equal treatment through systematic support offerings and the diversity, equity & inclusion (DE&I) policy promote a respectful working environment
Actual	x			Offering training in the areas of professional qualifications and management skills promotes employees' personal development and qualifications. The Talanx Group offers staff a variety of different learning formats and development programmes for this
Actual	x			The actions promoting corporate culture and the DE&I policy help actively combat discrimination
Actual	x			Targeted training programmes are developed if an evaluation reveals a lack of development opportunities

S1 OWN WORKFORCE

ESRS	Topic and sub-topic	IRO starting point	Dimension	Short description of IRO	Time horizon
S1	S1: Equality/ non-discrimination	Opportunity	Own operations	Good training programmes and CPD enhance employer attractiveness and enable the recruitment of talented staff who can contribute to the Group's business development	Short, medium and long term
S1	S1: Equality/ non-discrimination	Risk	Own operations	Discrimination and unequal treatment at work could put the Talanx Group at risk of media attention or even criminal prosecution, and hence of reputational damage, as well as making it unattractive as an employer and, in consequence, less successful in its business	Short, medium and long term
S1	S1: Equality/ non-discrimination	Risk	Own operations	Poorly or inadequately trained workers reduce the undertaking's efficiency	Short, medium and long term
S1	S1: Equality/ non-discrimination	Risk	Own operations	A discriminatory working environment or a lack of opportunities for CPD could lead to a loss of talent and specialists, or to them not choosing Talanx as an employer in the first place	Short, medium and long term

S4 CONSUMERS AND END-USERS

ESRS	Topic and sub-topic	IRO starting point	Dimension	Short description of IRO	Time horizon
S4	S4 Customers and end-users	Positive impact	Underwriting	Cybersecurity based on the protection of general personal rights, such as the protection of individual customers' personal data using an anonymous whistleblowing system for customers and a functioning data protection management system	Short, medium and long term
S4	S4 Customers and end-users	Positive impact	Own operations	Security based on the protection of general personal rights, such as the protection of personal data using an anonymous whistleblowing system for customers and a functioning data protection management system	Short, medium and long term
S4	S4 Customers and end-users	Positive impact	Underwriting	Financial security and health protection for customers by providing cover for insurable risks	Medium and long term
S4	S4 Customers and end-users	Positive impact	Underwriting	Provision of information to customers through high-quality advice, compliance with the duties to provide information and explanations (plus additional regulatory requirements such as the SFDR). Guaranteed via the GDV Code of Conduct for Insurance Distribution	Short term
S4	S4 Customers and end-users	Positive impact	Underwriting	Protection of customers' health through risk early warning systems (e.g. ahead of storms) and advice on how to prevent losses	Medium and long term
S4	S4 Customers and end-users	Negative impact	Underwriting	Materialisation of a high risk (e.g. of discrimination) for data subjects following data breaches	Medium and long term
S4	S4 Customers and end-users	Negative impact	Underwriting	Customers are negatively affected if risks are assessed wrongly or losses are not paid out	Long term
S4	S4 Customers and end-users	Opportunity	Underwriting	Long-term success due to customer focus and resulting customer satisfaction (potentially expressed in the Net Promoter Score)	Long term
S4	S4 Customers and end-users	Opportunity	Underwriting	Loss prevention through risk-appropriate consulting and advice on preventive measures (and risk-based bonuses – e.g. where Taxonomy-aligned products are offered)	Short, medium and long term
S4	S4 Customers and end-users	Risk	Own operations	Lower revenue due to increasing customer dissatisfaction and obstacles to new business triggered by a large number of potential factors	Medium and long term
S4	S4 Customers and end-users	Risk	Underwriting	Fines, sanctions and reputational damage if data protection requirements for private retail customers are breached	Medium and long term

Type	Impact materiality	Financial materiality	Current financial effects	Reaction/action (SBM-3 48 b)
Actual		x	Indirect financial impacts caused by higher employee engagement and lower turnover rates. Quantification based on e.g. a survey on engagement (above average) and the turnover rate (below average)	Offering a variety of learning formats and development programmes enhances the Talanx Group's attractiveness as an employer
Potential		x	No current financial effects	Potential reputational risks are assessed. Platforms for underrepresented groups strengthen a non-discriminatory environment. Strengthening equal treatment through systematic support offerings and the DE&I policy promotes a respectful working environment
Potential		x	No current financial effects	Needs-driven development programmes and targeted learning formats also specifically strengthen inadequately trained employees
Potential		x	No current financial effects	Programmes and platforms actively work to prevent a discriminatory working environment, while targeted staff development measures combat a lack of development opportunities. Strengthening equal treatment through systematic support offerings and the DE&I policy promotes a respectful working environment

Type	Impact materiality	Financial materiality	Current financial effects	Reaction/action (SBM-3 48 b)
Actual	x			Continuation of the approach to data protection and cybersecurity, including via the following actions: the whistleblowing system, security awareness campaigns and a variety of local measures
Actual	x			Continuation of the approach to data protection and cybersecurity, including via the following actions: the whistleblowing system, security awareness campaigns and a variety of local measures
Actual	x			Continuation and enhancement of the underwriting criteria in line with segment-specific requirements
Actual	x			Continuation of the approach to ensuring easy-to-understand information (e.g. compliance with the EU's Insurance Distribution Directive (IDD), the GDV Code of Conduct and the Hohenheimer Verständlichkeitsindex)
Actual	x			Continuation and enhancement of product support systems such as the risk early warning system
Potential	x			Continuation of the approach to data protection and cybersecurity, including via the following actions: the whistleblowing system, security awareness campaigns and a variety of local measures
Potential	x			Regular enhancement of sector-specific risk management so as to be able to assess losses properly
Potential		x	Indirect financial impacts of a high Net Promoter Score	Continuation of annual customer surveys and benchmark activities so as to ensure customer needs are met
Actual		x	No measurable financial impacts on customers and end-users	Continued provision of information about preventive measures and, where needed, of risk-based bonuses
Potential		x	No current financial effects	Continuation of annual customer surveys and benchmark activities so as to prevent customer dissatisfaction and its consequences
Potential		x	No current financial effects	Continuation of the approach to data protection and cybersecurity, including via the following actions: the whistleblowing system, security awareness campaigns and a variety of local measures

G1 BUSINESS CONDUCT

ESRS	Topic and sub-topic	IRO starting point	Dimension	Short description of IRO	Time horizon	
G1	G1: Corruption and bribery	Positive impact	Own operations	Assumption of a role model function and avoidance of cases of corruption thanks to establishment of a functioning compliance management system, compliance guidelines with anti-corruption requirements, employee training, an annual preventive risk assessment and compliance with the GDV's "Verhaltenskodex für den Vertrieb" (Code of Conduct for Insurance Distribution)	Long term	
G1	G1: Corruption and bribery	Positive impact	Own operations	Enhanced trust and integrity thanks to transparent treatment (e.g. in sustainability reporting) of the issues of corruption and bribery, the avoidance and disclosure of conflicts of interest, and the requirement for the Board of Management to approve donations	Medium and long term	
G1	G1: Corruption and bribery	Positive impact	Asset management	Incentive to avoid corruption and bribery by investing in companies with good governance practices (UNGC) and excluding investments in countries/companies with poor anti-corruption index scores	Short, medium and long term	
G1	G1: Corruption and bribery	Positive impact	Own operations	Avoidance of corruption beyond the Group's boundaries through use of a Group-wide Code of Conduct for Business Partners	Medium and long term	
G1	G1: Corruption and bribery	Positive impact	Own operations	Support for detecting corruption and fraud, e.g. via the anonymous whistleblowing system and staff training	Short, medium and long term	
G1	G1: Corruption and bribery	Negative impact	Underwriting	The community of policyholders could be impacted by higher cost/loss ratios and prices, e.g. as a result of bribery costs or of cover being granted for uninsurable risks	Medium and long term	
G1	G1: Culture of business practices	Positive impact	Own operations	Cybersecurity: Good data administration and functioning data protection management protect information relating to corporate customers (who are not covered by ESRS S4), suppliers and business partners	Short, medium and long term	
G1	G1: Culture of business practices	Positive impact	Asset management	Cybersecurity: Good data administration and functioning data protection management protect information relating to corporate customers (who are not covered by ESRS S4), suppliers and business partners	Short, medium and long term	
G1	G1: Culture of business practices	Positive impact	Underwriting	Cybersecurity: Good data administration and functioning data protection management protect information relating to corporate customers (who are not covered by ESRS S4), suppliers and business partners	Short, medium and long term	
G1	G1: Culture of business practices	Negative impact	Own operations	Cybersecurity: Negative impacts on corporate customers (who are not covered by ESRS S4), suppliers and business partners in the case of data protection breaches	Short, medium and long term	
G1	G1: Culture of business practices	Negative impact	Asset management	Cybersecurity: Negative impacts on corporate customers (who are not covered by ESRS S4), suppliers and business partners in the case of data protection breaches	Short, medium and long term	
G1	G1: Culture of business practices	Negative impact	Underwriting	Cybersecurity: Negative impacts on corporate customers (who are not covered by ESRS S4), suppliers and business partners in the case of data protection breaches	Short, medium and long term	
G1	G1: Culture of business practices	Opportunity	Own operations	A good corporate culture enhances Talanx's attractiveness as an employer and hence ensures a qualified, motivated workforce	Medium and long term	
G1	G1: Culture of business practices	Opportunity	Asset management	A good corporate culture enhances Talanx's credit quality and attractiveness for debt investors with associated financial savings resulting from lower interest rates on borrowings	Short, medium and long term	
G1	G1: Culture of business practices	Opportunity	Own operations	A good corporate culture enhances Talanx's credit quality and attractiveness for debt investors with associated financial savings resulting from lower interest rates on borrowings	Medium and long term	
G1	G1: Culture of business practices	Risk	Own operations	A poor corporate culture leads to reputational risks and associated financial losses, declining attractiveness as an employer and associated lower performance by less qualified staff	Medium and long term	
G1	G1: Culture of business practices	Risk	Own operations	Cybersecurity: Fines, sanctions and reputational damage in the case of data protection breaches relating to corporate customers (who are not covered by ESRS S4), suppliers and business partners	Short, medium and long term	
G1	G1: Culture of business practices	Risk	Own operations	Less favourable borrowing terms due to poor ratings that debt investors take into account	Medium term	

Type	Impact materiality	Financial materiality	Current financial effects	Reaction/action (SBM-3 48 b)
Actual	x			Continuation of the instruments mentioned including via the following actions: the whistleblowing system, compliance reporting, employee training and compliance risk assessments
Actual	x			Continuation of the instruments mentioned including via the following actions: the whistleblowing system, compliance reporting, employee training and compliance risk assessments
Actual	x			Regular monitoring of investment decisions and exclusions in the case of non-compliance
Actual	x			Continuation of the Code of Conduct for Business Partners
Actual	x			Continuation of the instruments mentioned including via the following actions: the whistleblowing system, compliance reporting, employee training and compliance risk assessments
Potential	x			Screening for potential cases, including via the following actions: the whistleblowing system, compliance reporting and compliance risk assessments
Actual	x			Continuation of the approach to data protection and cybersecurity, including via the following actions: the whistleblowing system, security awareness campaigns and a variety of local measures
Actual	x			Continuation of the approach to data protection and cybersecurity, including via the following actions: the whistleblowing system, security awareness campaigns and a variety of local measures
Actual	x			Continuation of the approach to data protection and cybersecurity, including via the following actions: the whistleblowing system, security awareness campaigns and a variety of local measures
Potential	x			Continuation of the approach to data protection and cybersecurity, including via the following actions: the whistleblowing system, security awareness campaigns and a variety of local measures
Potential	x			Continuation of the approach to data protection and cybersecurity, including via the following actions: the whistleblowing system, security awareness campaigns and a variety of local measures
Potential	x			Continuation of the approach to data protection and cybersecurity, including via the following actions: the whistleblowing system, security awareness campaigns and a variety of local measures
Actual		x	Indirect financial impacts caused by higher employee engagement and lower turnover rates. Quantification based on e.g. a survey on engagement (above average) and the turnover rate (below average)	Regular updates to the People & Culture strategy. Support for the corporate culture through operation of a compliance management system (CMS)
Actual		x	Indirect impacts on ratings. Talanx has stable ratings (e.g. S&P, AM Best)	Monitoring and active management by Investor Relations, e.g. through participation in corporate ratings
Actual		x	Indirect impacts on ratings. Talanx has stable ratings (e.g. S&P, AM Best)	Monitoring and active management by Investor Relations, e.g. through participation in corporate ratings
Potential		x	No current financial effects	Monitoring of reputational risk by Group Communications and risk mitigation together with Group People & Culture or Investor Relations
Potential		x	No current financial effects	Continuation of the approach to data protection and cybersecurity, including via the following actions: the whistleblowing system, security awareness campaigns and a variety of local measures
Potential		x	No current financial effects	Monitoring and active management by Investor Relations, e.g. through participation in corporate ratings

ADDITIONAL MATERIAL TOPICS AT SUBSIDIARIES: HANNOVER RE GROUP

ESRS	Topic and sub-topic	IRO starting point	Dimension	Short description of IRO	Time horizon
E1	E1: Climate change mitigation	Positive impact	Asset management	Influencing energy-intensive investments in the direction of more sustainable practices can lead to substantial emissions reductions and be compatible with global climate goals	Short- and medium-term
E1	E1: Climate change mitigation	Negative impact	Own operations	A more sustainable travel policy is needed, since employees' use of climate-damaging means of transport such as air travel and ICE vehicles can undermine efforts to reduce carbon emissions	Short term
E1	E1: Climate change mitigation	Risk	Reinsurance	Insurers could be exposed to liability risk if they insure undertakings that do not practise sustainability; this underscores the importance of insurance policies that promote environmental responsibility	Medium term
E1	E1: Energy	Positive impact	Own operations	Implementing energy efficiency measures in buildings reduces total energy consumption and hence supports the climate goals	Short term
E1	E1: Energy	Positive impact	Own operations	Switching to electric vehicles for corporate vehicle fleets reduces greenhouse gas emissions and promotes the use of clean sources of energy	Short term
E1	E1: Energy	Negative impact	Asset management	Non-transparent investment practices in the case of investments in fossil fuels and non-renewable energy can mislead investors and undermine sustainable investment goals	Long term
S1	S1: Equality/non-discrimination	Positive impact	Own operations	Raising awareness of the needs for, and employing, persons with disabilities promotes social integration and participation, benefiting society and corporate diversity	Medium and long term
G1	G1: Corruption and bribery	Risk	Reinsurance	Failure to comply with anti-corruption codes could lead to a decline in demand, customer attrition and substantial reputational damage	Short- and medium-term
G1	G1: Anti-competitive behaviour	Positive impact	Own operations	Prevention of anti-competitive behaviour and promotion of fair competition	Medium and long term

Type	Impact materiality	Financial materiality	Current financial effects	Reaction/action (SBM-3 48 b)
Actual	x			Introduction and implementation of a responsible investment policy
Actual	x			Introduction and implementation of an environmental strategy
Potential		x	No current financial effects	Introduction of an ESG position paper by the Property & Casualty (P&C) Business Group and of an ESG manual for facultative reinsurance
Actual	x			Introduction and implementation of an environmental strategy
Actual	x			Introduction and implementation of an environmental strategy
Potential	x			Introduction and implementation of a responsible investment policy and a medium- to long-term climate strategy for asset management
Potential	x			Promotion of diversity, equity and inclusion as part of the People & Culture Strategy 2024–2026
Potential		x	No current financial effects	Resolution of a conflict of interest Group policy and a code of conduct for suppliers (Third Party Code of Conduct)
Actual	x			Adoption of antitrust law policy

2. Environmental information

2.1 Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation)

2.1.1 Introduction

Regulation (EU) 2020/852, also known as the EU Taxonomy Regulation, was adopted on 18 June 2020 by the European Parliament and the Council. At its heart is an assessment system in which the European Commission provides binding technical details of which economic activities are considered to be environmentally sustainable.

Criteria for sustainable economic activities

The Regulation defines the following six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

The European Commission has identified environmentally sustainable economic activities for these environmental objectives.

A distinction is made between economic activities that are Taxonomy-eligible versus those that are Taxonomy non-eligible on the one hand, and between economic activities that are both Taxonomy-eligible and Taxonomy-aligned versus those that are Taxonomy non-aligned on the other. Economic activities are described as Taxonomy-eligible if they are listed in the Commission Delegated Regulation.

Economic activities are described as Taxonomy-aligned if they are not only listed in the Commission Delegated Regulation but also meet the following four overarching criteria:

1. Substantial contribution to at least one of the six environmental objectives listed in the Regulation
2. Compliance with the technical screening criteria (TSC) defined in Commission Delegated Acts
3. Do no significant harm (DNSH) to any of the six environmental objectives set out in the Regulation
4. Compliance with the minimum safeguards defined in the Regulation

Due to its economic activities, the Talanx Group reports the insurance and reinsurance of climate-related hazards the contribute to the EU Taxonomy's "climate change adaptation" environmental objective. This results in disclosures relating to the Group's own non-life insurance operations and its activities as an investor.

The Talanx Group's disclosure obligations

As an insurance and reinsurance undertaking, the Talanx Group is obliged to ensure transparency by disclosing key performance indicators (KPIs) both for its underwriting and for its investment activities.

Underwriting

In the case of underwriting, the core KPI is the percentage of Taxonomy-aligned gross written premiums for non-life insurance and reinsurance relating specifically to insurance activities associated with climate-related hazards. This indicator expresses the percentage of non-life insurance revenue that complies with the EU Taxonomy Regulation requirements and hence contributes to climate change adaptation. This disclosure is in line with the EU Taxonomy Regulation requirements for the "Climate change adaptation" environmental objective and recognises the important role that non-life insurance and reinsurance activities play in adapting to climate-related risks.

Asset management

In the case of asset management, the core indicator comprises the weighted average investments made to finance Taxonomy-aligned economic activities. These indicators measure the contribution made by financial companies such as insurance and reinsurance undertakings to redirecting capital flows towards sustainable investments. At present, the EU Taxonomy is not part of the corporate strategy and hence is not used as a basic instrument in investment decisions. In 2017, the Talanx Group established the Responsible Investment Committee (RIC), a body that ensures responsible investment within the Talanx Group. The RIC defines investment selection criteria and decides on whether to hold or divest investments, taking individual considerations into account. Investments that do not comply with the defined criteria are generally divested by the end of the year. One of the RIC's first core tasks was to develop and implement an ESG assessment process for investing.

Requirements and compliance

The Talanx Group has taken into account all official documents, FAQs and opinions issued by the European Commission that are aligned with the Commission Delegated Regulations and the Delegated Acts. As a primary insurance and reinsurance undertaking, the Talanx Group relies on large amounts of external data from its customers and business partners to adequately assess its Taxonomy alignment. A large proportion of these data are not covered by European reporting requirements. This can result in data gaps, which the Group aims to identify and minimise using a comprehensive test process. In particular, capturing "do no significant harm" (DNSH) and minimum safeguard information involves establishing new processes for which no specifications and no sector-specific standards exist.

2.1.2 EU Taxonomy for the non-life insurance and reinsurance business

The EU Taxonomy Regulation takes into account insurance and reinsurance activities related to property/casualty only and is focussed on the environmental objective of "climate change adaptation". This means that it only includes those lines of business that explicitly insure such climate change perils. Examples are primary insurance and reinsurance solutions that provide cover for climate-related natural hazards such as floods or storm damage. These insurance solutions contribute to the "Climate change adaptation" objective, since they increase resilience to natural catastrophes by providing affected customers with cover and compensating them if losses occur. In addition, primary insurance and reinsurance offerings ensure that large projects can be continued and new technology can be developed, and hence sustainably promote economic growth. The Talanx Group's many years' experience of risk assessment and risk management help it to identify new and future risks early on, and to develop suitable risk transfer solutions for them.

Consequently, in its primary insurance and reinsurance business the Talanx Group considers all turnover generated in business areas described in Delegated Act (EU) 2021/2139 to be Taxonomy-eligible if evidence of direct cover of climate-related natural hazards can be provided.

Such evidence is supplied on the one hand by internal risk monitoring and on the other by concrete proof of a corresponding contract from the individual business area identified.

The insurance categories that must be examined according to Delegated Act (EU) 2021/2139 are as follows:

1. Medical expense insurance
2. Income protection insurance
3. Workers' compensation insurance
4. Motor vehicle liability insurance
5. Other motor insurance
6. Marine, aviation and transport insurance
7. Fire and other damage to property insurance
8. Assistance

In the absence of any additional information from the legislators, the Talanx Group classifies all other business areas that do not contain any direct climate-related cover, or that are not described in Delegated Act (EU) 2021/2139, as Taxonomy non-eligible.

Taxonomy alignment requires proof of compliance with the technical screening criteria designed to ensure the substantial contribution made by reinsurance (economic activity 10.2; NACE code K65.2.0) and primary insurance (economic activity 10.1; NACE code K65.1.2) to the "Climate change adaptation" environmental objective. After this, evidence must be provided that these activities do not have a negative impact on the "Climate change mitigation" environmental objective and that the minimum safeguards are complied with.

Analysis of the substantial contribution

Delegated Act (EU) 2021/2139 defines five specific technical screening criteria each for primary insurance and reinsurance undertakings. These criteria reflect business practices and processes that are seen by lawmakers as preconditions for reporting sustainable turnover within the meaning of the EU Taxonomy.

The criteria are as follows:

1. **Leadership in modelling and pricing of climate risks**
   Adequately quantifying and pricing risk is an essential factor in being able to offer successful and economically sustainable insurance services. The Talanx Group uses state-of-the-art modelling techniques to precisely assess and price climate risks on the basis of forward-looking scenarios and models. In addition, strategies for integrating climate risks are presented transparently and risk mitigation incentives ensured through risk-based pricing. After a loss event has occurred, the Talanx Group supports "building back better" so as to enhance resilience, offers ways of continuing insurance cover and hence underscores its commitment to sustainable, climate-aware insurance practice.

2. **Product design**
   The Talanx Group has introduced procedures to take key customer needs regarding climate-related natural hazards into account in its products. These products use risk-based pricing, enabling preventive actions (such as compliance with certain building standards) to be reflected in pricing. In the case of the Taxonomy-based products in both its primary insurance and its reinsurance activities, the Talanx Group offers reduced premiums and extended coverage if certain preventive actions are taken, allowing customers to improve their estimation of, and mitigate, climate-related risks by engaging in direct dialogue with the underwriters. In the reinsurance portfolios, only those shares of reinsurance premiums that meet the technical screening criteria and that can be specifically allocated to covering risks stemming from climate-related perils are taken into consideration, in accordance with TSC 2.3.

3. **Innovative insurance solutions**
   The Talanx Group's Taxonomy-aligned primary insurance products are designed to provide policyholders with end-to-end insurance protection. After a climate-related loss has been incurred, the ensuing costs are borne. Among other things, these include the costs associated with reconstructing buildings, replacing machinery, appraisal costs, potential production outages and other business interruption expenses. In addition, support is provided for developing innovative reinsurance solutions for climate-related natural hazards so as to meet the growing needs of customers and society. These products use risk-based pricing, which means that preventive measures that are implemented to minimise the risks concerned (e.g. compliance with certain building standards) can be reflected in pricing.

4. **Data sharing**
   The Talanx Group is in regular contact with public authorities and shares data on request for analytical purposes so as to promote knowledge building about the changes caused by climate change. This fully complies with the requirements set out in the technical screening criterion.

5. **High level of service in post-catastrophe situation**
   The Talanx Group has implemented strict standards for processing large loss events resulting from climate-related natural hazards, ensuring that swift and fair support is provided to customers.

Within Primary Insurance, which is heterogeneously structured for strategic reasons, a questionnaire process was used to survey all material relevant non-life insurance products that provide cover for climate hazards, so as to establish whether they and the turnover associated with them are Taxonomy-aligned.

The results of this analysis revealed that only a small proportion of products could be classified as Taxonomy-aligned. The Talanx Group sees natural hazards insurance as its core business and its business entails pricing natural hazards around the world. The Group is a reliable partner for its customers. The EU Taxonomy Regulation does not yet have a strategic impact on the product design process.

Since full reporting only began in 2023, the KPIs are not considered to have sufficient informative value at present to enable them to be used as a management instrument in decision-making and product development.

This is largely due to the fact that there is room for interpretation when calculating the KPIs, which makes comparability more difficult.

Do no significant harm (DNSH) to other environmental objectives and compliance with the minimum safeguards

For economic activities to be disclosed as sustainable as defined by the EU Taxonomy, it must first be established that they do no significant harm to other environmental objectives. In the case of primary insurance and reinsurance activities, this proof must be provided for environmental objective 1, "Climate change mitigation". This means that activities that have been disclosed as sustainable do not include the transfer of insurance for the extraction, storage, transport or manufacture of fossil fuels or the transfer of insurance for vehicles, property, or other assets dedicated to such purposes.

The Talanx Group has put processes in place to ensure that the Taxonomy-aligned turnover disclosed does not include any cover related to fossil fuels. The Group depends on data supplied by its customers and brokers to identify such coverage in its obligatory reinsurance activities (providing cover for large portfolios), and actively requests this information from them. Data gaps, which are significant in some cases, existed in the reporting year. The Talanx Group takes a conservative approach and reports portfolios for which no information is available as Taxonomy non-aligned. The increase in data coverage in coming years can be expected to influence the Taxonomy-aligned turnover ratio disclosed.

In identifying business related to fossil fuels, the Talanx Group utilizes its internal industry classification systems for corporate clients in its primary insurance activities. This approach ensures the avoidance of significant impairments when reporting Taxonomy-aligned revenues. By following this method, the company fully complies with the EU Taxonomy requirements for non-life insurance and reinsurance activities, ensuring that no business related to fossil fuels is reported as Taxonomy-aligned.

Economic activities that are to be disclosed as Taxonomy-aligned must be performed in compliance with the minimum safeguards criteria. The Talanx Group bases its assessment of compliance with the minimum safeguards on the current interpretations of the regulatory environment. The focus is on the following four core topics that undertakings should take into account:

- human rights
- bribery/corruption
- fair taxation
- fair competition

The Talanx Group has implemented processes to ensure that it complies with all four core topics in its business activities. In addition, a controversial weapons check is performed. For the reporting year, no incidents or pending proceedings are known that would indicate a violation of the minimum safeguards requirements.

A review process for compliance with the minimum safeguards is currently being implemented in Primary Insurance. Since no ex ante review process exists yet, the Talanx Group uses historical data to ensure that the minimum safeguards are complied with at customer level.

Underwriting disclosures

The following table gives an overview of the Taxonomy KPIs for climate-related and environmental topics in underwriting, based on the IFRS-Standard. The mandatory template for (re-) insurance undertakings contained in Annex X of Delegated Act (EU) 2021/2178 was used to disclose the turnover.

STANDARD TEMPLATE FOR THE DISCLOSURE REQUIRED UNDER ARTICLE 8 OF THE TAXONOMY REGULATION (EU) 2020/852[1]

	Substantial contribution to climate change adaptation			DNSH (do no significant harm)					
	Absolute premiums	Proportion of premiums		Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards
	2024	2024	2023						
Economic activities	TEUR	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
A.1 Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	1,690,743	4.46	3.53	Yes	Yes	Yes	Yes	Yes	Yes
A.1.1 Of which reinsured	899,609	2.37	1.42	Yes	Yes	Yes	Yes	Yes	Yes
A.1.2 Of which stemming from reinsurance activity	1,516,950	4.00	3.05	Yes	Yes	Yes	Yes	Yes	Yes
A.1.2.1 Of which reinsured (retrocession)	872,952	2.30	1.32	Yes	Yes	Yes	Yes	Yes	Yes
A.2 Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	23,365,821	61.58	58.95						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	12,889,797	33.97	37.52						
Total (A.1 + A.2 + B)	**37,946,362**	**100.00**	**100.00**						

[1] The underwriting KPI for non-life and reinsurance undertakings.

The KPI for the insurance business aims to show the share of total non-life underwriting premiums that is aligned with the Taxonomy. The underwriting KPI is calculated as follows:

KPI FOR INSURANCE BUSINESS

UNDERWRITING KPI = Premiums for Taxonomy-aligned activities / Total premiums for all non-life products (including Taxonomy-eligible and Taxonomy non-eligible) = X%

In line with the European Commission's Notice C/2024/6691 dated 8 November 2024, the Talanx Group only discloses those reinsurance premiums that demonstrably serve to provide cover for climate-related natural hazards (premium split). In the primary insurance area, the share of premiums used to provide cover for natural hazards (premium split) was reported on the basis of data obtained from natural hazards pricing and loss data.

Following the premium split, the Talanx Group currently only reports products from HDI Global SE in the area of building insurance and from the Hannover Re Group as Taxonomy-aligned. In the case of reinsurance, this comprises both facultative reinsurance (the underwriting of individual risks) and obligatory reinsurance products (cover for broad portfolios). In addition, the Talanx Group is working to integrate additional products so as to improve its cover in the future. The reporting of Taxonomy-aligned ceded values is based on the ceded share of total insurance revenue.

The informative value of the Taxonomy alignment KPIs for the products from the Talanx Group, as an insurance undertaking, that are determined using this regulatory methodology is highly limited, especially in comparison to other sectors. Equally, it does not adequately reflect the Talanx Group's sustainability ambitions, since only a portion of the insurance product covering climate risks can be included.

The Talanx Group is monitoring developments relating to Taxonomy reporting and will incorporate them into the ongoing enhancement of its reporting practices.

2.1.3 Assessment of investments made in relation to primary insurance and reinsurance under the EU Taxonomy

Taxonomy reporting aims to show the proportion of the Talanx Group's total investments (denominator) accounted for by environmentally sustainable (Taxonomy-aligned) and potentially environmentally sustainable (Taxonomy-eligible) investments (numerator). Economic activities are defined as Taxonomy-aligned if the technical screening criteria that ensure a positive contribution to one or more of the six environmental objectives are met, if no significant harm is done to any of the environmental objectives, and if the minimum safeguards are complied with.

KPI RELATED TO INVESTMENTS

INVESTMENT KPI = Weighted average Taxonomy-aligned investments / Total assets included in the KPI = X%

The denominator represents the investments reported in the balance sheet, not including the Talanx Group's funds withheld by ceding companies. In addition, Article 7 of Commission Delegated Regulation 2021/2178 specifies that all exposures to central governments, central banks and supranational issuers shall be excluded when calculating the denominator.

The numerator primarily includes investments in securities whose issuers are subject to European Non-Financial Reporting Directive (NFRD) reporting requirements; property, plant and equipment; and loans to finance specific identified activities. In line with Article 7(2) of Commission Delegated Regulation 2021/2178, derivatives are excluded from the numerator. In addition, Article 7(3) of Commission Delegated Regulation 2021/2178 excludes exposures to undertakings that are not obliged to comply with NFRD reporting requirements from the numerator for the KPI. Where issuers are domiciled in the EU, a check is made as to whether they are subject to NFRD reporting obligations. In line with the European Commission's Draft Commission Notice dated 21 December 2023, unit-linked life insurance portfolios are taken into account using the asset managers' KPIs.

To assess the Taxonomy eligibility and alignment of liquid securities issued by EU-based entities that may fall under the NFRD, data from an external service provider and the results of an internal screening process are utilized for a significant portion of liquid investments. In the case of issuers that are subject to NFRD reporting requirements, the Taxonomy ratios published in their non-financial reporting are used for the Talanx Group's investments. The ratios reported are also sourced from an external service provider, and are manually added in those cases in which they do not form part of the data supplied.

Investment disclosures

In accordance with Article 8 of the EU Taxonomy Regulation (Commission Delegated Regulation (EU) 2021/2178), the Talanx Group uses the reporting tables prescribed in Annex X of the Regulation for its reporting. In line with the interpretation of the European Securities and Market Authority (ESMA), the prior-year comparison required by Article 8(3) is provided by duplicating the templates:

STANDARD TEMPLATE FOR THE DISCLOSURE REQUIRED UNDER ARTICLE 8 OF THE TAXONOMY REGULATION (EU) 2020/852 [1]

	%		EUR
2024			
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below		The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with, Taxonomy-aligned economic activities with following weights for investments in undertakings per below	
Turnover-based	4.14	Turnover-based	4,388,841,575
Capital expenditures-based	4.75	Capital expenditures-based	5,044,416,245
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities	
Coverage ratio	100.00	Coverage	106,120,499,637
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI	0.34	The value in monetary amounts of derivatives	364,158,612
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings	16.62	For non-financial undertakings	17,635,290,954
For financial undertakings	46.49	For financial undertakings	49,333,960,269
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings	12.33	For non-financial undertakings	13,085,471,887
For financial undertakings	22.46	For financial undertakings	23,838,964,122
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings	11.25	For non-financial undertakings	11,940,600,203
For financial undertakings	14.45	For financial undertakings	15,334,996,979
The proportion of exposures to other counterparties over total assets covered by the KPI	10.85	Value of exposures to other counterparties	11,511,492,620
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities	86.68	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities	91,982,047,958
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI		Value of all the investments that are funding economic activities that are not Taxonomy-eligible	
Turnover-based	20.55	Turnover-based	21,811,283,690
Capital expenditures-based	20.12	Capital expenditures-based	21,352,335,211
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI		Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned	
Turnover-based	11.86	Turnover-based	12,586,964,537
Capital expenditures-based	11.68	Capital expenditures-based	12,390,338,346

[1] The proportion of assets of the insurance or reinsurance undertaking that are directed at funding, or are associated with, Taxonomy-aligned economic activities relative to the total assets.

STANDARD TEMPLATE FOR THE DISCLOSURE REQUIRED UNDER ARTICLE 8 OF THE TAXONOMY REGULATION (EU) 2020/852 [1]

	%		EUR
2023			
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below		The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with, Taxonomy-aligned economic activities with following weights for investments in undertakings per below	
Turnover-based	0.86	Turnover-based	845,973,740
Capital expenditures-based	1.45	Capital expenditures-based	1,432,766,960
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities	
Coverage ratio	100.00	Coverage	98,880,731,895
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI	0.42	The value in monetary amounts of derivatives	414,772,894
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings	32.79	For non-financial undertakings	32,420,173,323
For financial undertakings	36.07	For financial undertakings	35,670,400,823
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings	28.77	For non-financial undertakings	28,448,072,266
For financial undertakings	20.72	For financial undertakings	20,487,028,026
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings	5.62	For non-financial undertakings	5,555,644,537
For financial undertakings	15.48	For financial undertakings	15.310.269.468
The proportion of exposures to other counterparties over total assets covered by the KPI	9.62	Value of exposures to other counterparties	9,509,470,850
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities	87.38	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities	86,402,684,924
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI		Value of all the investments that are funding economic activities that are not Taxonomy-eligible	
Turnover-based	17.13	Turnover-based	16,933,778,785
Capital expenditures-based	19.39	Capital expenditures-based	19,168,683,270
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI		Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned	
Turnover-based	12.74	Turnover-based	12,595,632,331
Capital expenditures-based	9.88	Capital expenditures-based	9,773,934,625

[1] The proportion of assets of the insurance or reinsurance undertaking that are directed at funding, or are associated with, taxonomy-aligned economic activities relative to the total assets.

STANDARD TEMPLATE FOR THE DISCLOSURE REQUIRED UNDER ARTICLE 8 OF THE TAXONOMY REGULATION (EU) 2020/852[1]

	%		EUR
2024			
Additional, complementary disclosures: breakdown of numerator of the KPI			
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings		For non-financial undertakings	
Turnover-based	0.76	Turnover-based	808,436,536
Capital expenditures-based	1.33	Capital expenditures-based	1,414,232,154
For financial undertakings		For financial undertakings	
Turnover-based	0.41	Turnover-based	434,098,292
Capital expenditures-based	0.43	Capital expenditures-based	456,999,671
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned	
Turnover-based	4.14	Turnover-based	4,388,841,575
Capital expenditures-based	4.75	Capital expenditures-based	5,044,416,245
The proportion of Taxonomy-aligned exposures to other counterparties in over total assets covered by the KPI		Value of Taxonomy-aligned exposures to other counterparties over total assets covered by the KPI	
Turnover-based	2.96	Turnover-based	3,146,306,747
Capital expenditures-based	2.99	Capital expenditures-based	3,173,184,420

[1] The proportion of assets of the insurance or reinsurance undertaking that are directed at funding, or are associated with, taxonomy-aligned economic activities relative to the total assets.

STANDARD TEMPLATE FOR THE DISCLOSURE REQUIRED UNDER ARTICLE 8 OF THE TAXONOMY REGULATION (EU) 2020/852[1]

	%		EUR
2023			
Additional, complementary disclosures: breakdown of numerator of the KPI			
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI		Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU	
For non-financial undertakings		For non-financial undertakings	
Turnover-based	0.52	Turnover-based	518,128,587
Capital expenditures-based	1.12	Capital expenditures-based	1,104,921,807
For financial undertakings		For financial undertakings	
Turnover-based	—	Turnover-based	—
Capital expenditures-based	—	Capital expenditures-based	—
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned	
Turnover-based	0.86	Turnover-based	845,973,740
Capital expenditures-based	1.45	Capital expenditures-based	1,432,766,960
The proportion of Taxonomy-aligned exposures to other counterparties in over total assets covered by the KPI		Value of Taxonomy-aligned exposures to other counterparties over total assets covered by the KPI	
Turnover-based	0.33	Turnover-based	327,845,153
Capital expenditures-based	0.33	Capital expenditures-based	327,845,153

[1] The proportion of assets of the insurance or reinsurance undertaking that are directed at funding, or are associated with, Taxonomy-aligned economic activities relative to the total assets.

TAXONOMY-ALIGNED ACTIVITIES – PROVIDED "DO-NOT-SIGNIFICANT-HARM" (DNSH) AND SOCIAL SAFEGUARDS POSITIVE ASSESSMENT [1]

		%		Turnover (%)	CapEx (%)
2024					
(1) Climate change mitigation	Turnover	4.12	Transitional activities	0.13	0.13
	CapEx	4.71	Enabling activities	0.47	0.80
(2) Climate change adaptation	Turnover	0.02			
	CapEx	0.04	Enabling activities	0.01	0.01
(3) The sustainable use and protection of water and marine resources	Turnover				
	CapEx		Enabling activities		
(4) The transition to a circular economy	Turnover				
	CapEx		Enabling activities		
(5) Pollution prevention and control	Turnover				
	CapEx		Enabling activities		
(6) The protection and restoration of biodiversity and ecosystems	Turnover				
	CapEx		Enabling activities		

[1] The breakdown of the numerator of the KPI per environmental objective is shown in relation to the value of assets covered by the KPI, where in 2023 the breakdown was shown in relation to the Taxonomy-aligned investments.

TAXONOMY-ALIGNED ACTIVITIES – PROVIDED "DO-NOT-SIGNIFICANT-HARM" (DNSH) AND SOCIAL SAFEGUARDS POSITIVE ASSESSMENT

		%		Turnover (%)	CapEx (%)
2023					
(1) Climate change mitigation	Turnover	94.80	Transitional activities	3.78	0.63
	CapEx	66.36	Enabling activities	24.00	12.05
(2) Climate change adaptation	Turnover	0.16			
	CapEx	27.56	Enabling activities	0.06	4,62
(3) The sustainable use and protection of water and marine resources	Turnover				
	CapEx		Enabling activities		
(4) The transition to a circular economy	Turnover				
	CapEx		Enabling activities		
(5) Pollution prevention and control	Turnover				
	CapEx		Enabling activities		
(6) The protection and restoration of biodiversity and ecosystems	Turnover				
	CapEx		Enabling activities		

As a basic principle, all investments in property, plant and equipment associated with the purchase and ownership of real estate are considered to be Taxonomy-eligible. This includes investment property. In addition, properties held are considered to be Taxonomy-aligned where compliance with the technical screening criteria for "contributing substantially", the DNSH criteria and the minimum safeguards has been demonstrated. Primary energy performance certificates and the DeepKI Index were used to provide proof of a substantial contribution to climate change mitigation, and the fit-out of the individual buildings was also analysed. The DNSH test involved the creation of robust climate risk and vulnerability assessments in line with Appendix A of Annex I of the Climate Delegated Act. The Group has evidence of Taxonomy alignment for 36% of the properties. The remainder of its property investments do not make a substantial contribution to climate change mitigation or climate change adaptation as defined in the Regulation's technical criteria. Real assets acquired by the Talanx Group as part of infrastructure investments, and loans where the financed economic activity is known, undergo an internal assessment for Taxonomy eligibility and alignment. As a result, 23% of infrastructure investments have been confirmed as meeting the technical screening criteria. Relevant classification data was obtained with reasonable effort for approximately 98.15 (96.6)% of the investments included in the numerator. However, no sufficient data was available for 1.85 (3.4)% of the investment portfolio. As a precaution, these assets have been conservatively classified as Taxonomy non-eligible. The Talanx Group is committed to gradually improving data quality and coverage. It expects that further enhancements in the information base will be supported by the ongoing standardization of reporting practices and the expansion of regulatory reporting requirements.

The Talanx Group's Taxonomy-aligned investments primarily comprise liquid investments in undertakings that are covered by NFRD reporting requirements and that publish Taxonomy-aligned turnover and CapEx ratios. In addition, 35 properties held are counted towards the Group's Taxonomy-aligned investments. Since the requirement to report on Taxonomy alignment applied to financial undertakings for the first time in the 2023 financial year, information on the Taxonomy alignment of exposures to financial undertakings is now also available for the first time and so has been included in the numerator for the KPIs. The Talanx Group's globally diversified investment strategy naturally results in a high proportion of non-European issuers who are not subject to reporting obligations. Consequently, the share of Taxonomy-eligible and Taxonomy-aligned investments remains relatively low. The numerator is broken down into the individual environmental objectives using the value of all assets captured for the KPI as the denominator. Although mandatory disclosure of contributions to environmental objectives 3 to 6 will only be required for non-financial companies as from 1 January 2025, initial ratios for these objectives are already available. Financial undertakings are obliged to publish corresponding information from financial year 2026 onwards.

Retail mortgage loans are also covered by the EU Taxonomy Regulation's Taxonomy eligibility and Taxonomy alignment assessment requirements.

We were unable to assess the Taxonomy alignment of private mortgage loans in the reporting year since the data required, and in particular the energy performance certificates for the portfolio of properties that have already been financed, were not available. The relevant volume is EUR 872 (909) million. Data collection will be implemented for new business in the future.

Disclosure of investments related to nuclear energy and gas

Currently, there are no real assets or designated financing related to energy generation from nuclear power or gas, as defined by Regulation (EU) 2022/1214. The Group has a minor indirect exposure to issuers in the utilities sector, which is not reported separately due to its low materiality.

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES[1]

2024

Row	Nuclear energy related activities	Yes/no
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

[1] Nuclear and fossil gas related activities that were disclosed by the undertaking as Taxonomy-aligned.

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES [1]

2023

Row	Nuclear energy related activities	Yes/no
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

[1] Nuclear and fossil gas related activities that were disclosed by the undertaking as Taxonomy-aligned.

2.2 Climate change mitigation (ESRS E1)

2.2.1 Fundamentals of climate change mitigation

Climate change is a core issue for the Talanx Group, a global provider of insurance and financial services. The risks resulting from climate change, and policies and actions for mitigating it, are taken into account in both the internal risk management processes and the business processes at the Talanx Group and its subsidiaries. The Talanx Group continuously monitors market developments and is able to adjust its business model and strategy across all times frames in line with circumstances and developments. [ESRS 2 SBM-3 AR 8 b]

Understanding climate change risks and how to mitigate them also opens up growth opportunities and the ability to drive forward decarbonisation and climate change adaptation by providing (new) products and solutions. Business opportunities exist in three main areas: insurance and risk transfer solutions for combating growing physical risks, providing insurance for the transformation process and for sustainable technologies, and providing consulting services in the area of climate risk analysis and prevention.

For example, steady growth in demand for cover for physical climate risks can be expected, both in relation to extreme weather events and to the impact of chronic changes on climate-sensitive sectors such as agriculture. In addition, the expansion of environmentally friendly technologies, renewable energy sources, and the supporting infrastructure offers a significant opportunity for the Talanx Group. Demand for insurance solutions will increase as investments in these sectors grow. As regards to risk consulting, there is a need to assess customers' exposure to climate risks and to enhance their adaptability and resilience. This is an area in which HDI Risk Consulting GmbH in particular is active. The company provides customers in the Corporate & Specialty segment with climate risk reporting services, among other things. The Talanx Group sees itself as an active transformation partner for its industrial and commercial customers and for the issuers in which it invests. It is already active on the market in relation to the growth opportunities offered by the transformation process, and aims to continually expand its position. All in all, the Talanx Group's sustainability strategy aligns the Group's long-term economic success with living up to its environmental and social responsibility (see the graphic entitled "Talanx's sustainability strategy" in section 1.4.1 "Strategy, business model and value chain (SBM-1)"). [ESRS 2 SBM-3 AR 7 a]

The Talanx Group identifies and assesses potential climate change-related impacts, risks and opportunities in three areas: asset management, underwriting and own operations. According to the materiality assessment that was performed (see section 1.3 "Materiality assessment"), three climate-related and environmental matters are material for the Talanx Group: mitigating the consequences of climate changes in underwriting, promoting climate change mitigation in asset management, and the Group's direct and indirect greenhouse gas (GHG) emissions resulting from its energy-related operating activities. These topics are material in relation to climate change adaptation and climate change mitigation.

Section 2.2.9 "Gross Scopes 1, 2, 3 and Total GHG emissions" shows how the Talanx Group calculates emissions.

Reducing GHG emissions can positively impact the Company's image and create competitive advantages. However it is important to note that, despite all efforts, it is impossible to guarantee that GHG emissions can be avoided completely, especially since the Group depends on its business partners and its value chain to reduce its GHG emissions. Nevertheless, it is vital to work continuously to reduce emissions. However, this depends on the availability of high-quality data. In addition, decarbonisation of the value chain requires support in the form of regulatory requirements.

The following applies to the Hannover Re Group:
The group-wide Environmental Strategy was adopted for the strategy cycle for 2024–2026. This addresses three action areas – environmental and climate matters in the reinsurance business, in asset management and in own operations – for the entire Hannover Re Group, and aims to integrate them effectively and efficiently in day-to-day activities. These action areas comprise [MDR-P 65 b]:

- Ongoing decarbonisation of the insurance and investment portfolios and of own operations
- Enhanced engagement regarding sustainability and climate matters with cedants, brokers, issuers and own employees
- Using the Hannover Re Group's core competencies to provide targeted support for the sustainable transformation process and enhance societal resilience against the effects of ongoing climate change

POLICIES

2.2.2 Policies in asset management

According to the results of the Talanx Group's materiality assessment (see section 1.3 "Materiality assessment"), indirect GHG emissions are another issue that is particularly relevant to asset management in addition to promoting climate change mitigation. Reflecting this fact and in order to meet the ESRS requirements for capturing Scope emissions, the Talanx Group performed a detailed calculation of its financed emissions in accordance with Scope 3.15. of the GHG Protocol for the first time for financial year 2024. The calculation was performed in accordance with the Partnership for Carbon Accounting Financials (PCAF) standard (see also section 2.2.9 "Gross Scopes 1, 2, 3 and Total GHG emissions"). The different GHG intensities of the individual asset classes and issuers will make it possible to identify the main drivers of financed emissions going forward, and hence to derive relevant action areas and measures.

The Talanx Group's strategic policies comprise systematic investments in sustainable investments and screening criteria for the liquid portfolio. Both policies apply to all Talanx Group activities worldwide, and are resolved by the Responsible Investment Committee (RIC), the Group-wide decision-making body. [MDR-P 65 b, MDR-P 65 c]

The Talanx Group has summarised these two strategic investment priorities in two policies ("Sustainable investments" and "ESG screening"), which are described below.

Sustainable investments

The Talanx Group's sustainability strategy in asset management aims to generate long-term capital growth on the basis of a broadly diversified, actively managed investment portfolio while including ESG criteria. Conflicting objectives sometimes exist both between ESG criteria and economic requirements and between the different ESG objectives themselves, and trade-offs need to be made. In such cases, the Talanx Group aims as far as possible to avoid negative impacts from investments in unsustainable issuers, while also encouraging positive impacts on society and the environment that help mitigate climate change. Its basic philosophy is that sustainable development can often only be achieved if environmental, economic and social objectives are implemented simultaneously. [MDR-P 65 a, b, ESRS 2 SBM-3 AR 8 a, E1-2 22, 24]

The RIC is a Group-wide central decision-making body that monitors the integration of sustainability matters in line with the strategy in all core global investment processes four times a year, and drives this forward. The RIC is chaired by Talanx AG's Chief Financial Officer (CFO); other members are the CFOs of the divisions, the heads of Asset Management (CIOs), the Head of Group Strategy & Sustainability, and a representative of the senior management of Ampega Asset Management GmbH (hereinafter referred to as "Ampega"). [MDR-P 65 b, c, ESRS 2 SBM-3 AR 8 a, E1-2 22, 24]

In relation to sustainable investments, the Talanx Group sees opportunities for example, to make investments in renewable energy generation that not only produce positive returns in the medium to long term but can also enhance resilience against external shocks while combating climate change. Other examples of policy impacts that have been identified as material include climate change adaptation through investing in sustainable and transitional technologies. Sustainable investments are monitored and managed using the Q-ESG score described below. [MDR-P 65 a, E1-2 25 a, 25 b]

Investments that combat climate change also include investments in sustainable infrastructure projects. The Group has systematically built up expertise in this area in recent years and uses a specialised unit to invest directly in selected projects, supplying both equity and debt. The market value of the Talanx Group's sustainable investments amounted to EUR 14.0 billion at the end of 2024.[1] [MDR-P 65 b, E1-2 22, 24]

In addition, the Talanx Group successfully placed a green bond with a volume of approximately EUR 500 million on the market in 2021, and published the green bond allocation and impact report required for this in 2022. The bond's main objectives are to finance and fund renewable projects, especially in the area of renewable power generation and low-energy residential and commercial real estate. In other words, the Group's Green Bond Framework also systematically ties in its sustainability strategy with its financing strategy. [MDR-P 65 a]

In the case of real estate investments, the aim is to directly acquire properties that have been certified under sustainability schemes such as the Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB), Leadership in Energy and Environmental Design (LEED) or Building Research Establishment Environmental Assessment Methodology (BREEAM) programmes. Such certification schemes cover ecological, economic, sociocultural and functional aspects of properties, among other things. In addition, ESG due diligence is performed during acquisition due diligence; this looks at information on properties' potential ESG risks and influences the investment decision. Following the formation of the ESG Circle of Real Estate (ECORE), Ampega has been helping to develop a sustainability standard for the sector specifically in Germany. The entire real estate portfolio is being reviewed for ESG risks using the ESG scoring process developed by ECORE. The focus here is on property-specific consumption values, the technical building fit-out and insights gained from operating the properties. This enables the Talanx Group to include issues such as energy efficiency and the use of renewable energy sources in its real estate portfolio. [MDR-P 65 a, b, d, E1-2 24, 25 b, c, d]

ESG screening

The Talanx Group uses ESG scoring models to implement its investment screening criteria, identifying risks early on and taking the activities necessary to manage them. Apart from excluding new investments in certain business models (e.g. because they damage the climate or are GHG-intensive), these can range from reducing exposures for existing portfolio investments down to full divestment of the assets concerned. This also permits capital flows to be directed into sustainable investments, something that has been identified as a material impact on the part of the Talanx Group's investment activities.

[1] The framework used by the Talanx Group to classify sustainable investments comprises the following:
1. Green/social/sustainable bonds pursuant to the relevant ICMA (International Capital Market Association) standard.
2. Sustainable real estate with at least a gold Leadership in Energy and Environmental Design (LEED) or Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB) seal, plus real estate funds with at least a four-star GRESB (Global Real Estate Sustainability Benchmark) rating; sustainable real estate with a Building Research Establishment Environmental Assessment Methodology (BREEAM) certificate, a Japanese CASBEE (Comprehensive Assessment System for Built Environment Efficiency) certificate or a Singapore Green Mark, provided that, in all cases, the certificates are in the second-highest or highest classes.
3. Infrastructure projects that relate to renewable energy or climate-friendly public transport, or are social infrastructure projects (e.g. hospitals, educational establishments or social housing). In addition, renewable energy funds that have been classified as dedicated are considered to be sustainable. The same applies to infrastructure projects with a recognised sustainability seal, fibre-optic projects and sustainable investments with a public sector co-investor.
4. Impact investments with a directly measurable positive impact on the environment (e.g. investments in forest projects).
5. Bonds or equities issued by companies that make a significant contribution to a Sustainable Development Goal (SDG).

Ultimately, the RIC – as the Group's core decision-making body – decides what should be done with the investments concerned. Basically, the main goal of the screening criteria is to reduce the negative impacts of investing, and hence to contain the consequences of climate change. Impacts of this policy that have been identified as material are reducing exposure to climate intensive sectors and companies, and reducing exposure to business models that could be less successful in future. [MDR-P 65 a, b, c, E1-2 22, 24, 25 c, 25 d]

The RIC defines and regularly reviews the filter criteria used for screening, and takes individual decisions on whether to increase, retain or divest investments. The use of the screening criteria and the engagement activities relate to the liquid asset classes of corporate bonds and equities. Any recommendation to divest holdings that do not comply with the screening criteria is generally implemented by the end of the year in which it is made. The decisions taken by the committee therefore serve as the basis for consistently implementing the Group-wide sustainability strategy in asset management. The Group Board of Management and the Supervisory Board are informed of the RIC's decisions at least once a year as part of the regular strategy update. The CFOs and CIOs of the Group's divisions are responsible for their implementation. [MDR-P 65 a, c, e, f, E1-2 22, 24]

In addition to the exclusion of controversial weapons, the UN Global Compact's Principles were specified as filter criteria for investment decisions. Above and beyond the environmental criteria anchored in the Compact, the Talanx Group has implemented a thermal coal exclusion. In line with this, the Talanx Group no longer makes any proprietary investments in companies that generate 10% or more of their revenue from coal-fired power generation or thermal coal extraction. It takes such decisions on the basis of information supplied by external data providers. Legacy investments in the portfolio will be divested by 2038 at the latest. [MDR-P 65 a, b, c, d, E1-2 22, 24, 25 a]

The filter catalogue contains a similar exclusion for companies that generate more than 25% of their revenue from oil and tar sands, which are particularly harmful for the climate and the environment. In addition, no investments shall be made in companies involved in new greenfield Arctic drilling projects. Therefore, the screening process excludes those issuers from investment that generate 5% or more of their revenue from offshore oil and gas extraction north of the Arctic Circle (66° 34' N). Equally, new investments in issuers which generate 25% or more of their revenue from shale gas/oil fracking are excluded. These exclusions apply to the Group's own liquid investment portfolio of corporate bonds and equities.[1] Investments in green bonds are not covered by the coal and fracking exclusions for primary insurance.

Moreover, an investment policy exists that aims to successively reduce the Talanx Group's exposure to the oil and gas sector. In line with this policy, the Talanx Group will reduce the oil & gas sector quota of its liquid corporate bond portfolio by 20% over the next five years, from their current level of 5.7% (at the end of 2024) to 4.5%. In future, all companies in the entire value chain for the oil and gas sector (upstream, midstream and downstream) will be included in this. [MDR-P 65 a, b, d, E1-2 22, 24, 25 a]

In addition, the Talanx Group as the asset owner and Ampega as the investment manager signed up to the United Nations' Principles for Responsible Investment (PRI) in 2019, committing themselves to observing the PRI's six Principles, which they incorporate in their investment processes. [MDR-P 65 a, b, d, E1-2 22, 24, 25 a]

Exclusion criteria were also defined in the selection process for direct investments in illiquid asset classes such as infrastructure investments. The screening process includes both classic criteria relating to the risk/return profile of investments and sustainability criteria. For example, the Talanx Group does not invest in nuclear power projects, projects involving animals, assets involving unacceptably high levels of environmental pollution or assets associated with controversial business models such as gambling. [E1-2 24, MDR-P 65 a, b]

Q-ESG score

ESG ratings from established ratings agencies are taken into account for investments in corporate bonds and equities so to ensure that the ESG profile for the Group's capital goods portfolio is determined objectively. The information is summarised as a standardised average, known as the Q-ESG score, that retains sector-specific ESG characteristics. This not only systematically embeds the consideration of ESG issues in the investment selection process, but also consistently enhances the use of ESG as a quantitative element of investment portfolio management. In addition, measuring the ESG score permits relative ESG ambitions (i.e. ambitions that are in keeping with local market conditions) to be formulated for the international portfolios. For example, the investment portfolio for a foreign affiliate can be compared with benchmark portfolios in the country concerned so as to align ESG ambitions with the societal environment in the business region concerned. The Talanx Group's aim in this case is to ensure that its investments are sustainably aligned overall and that active support is provided for the transformation to a more sustainable economy. [MDR-P 65 a]

The ability to use the Q-ESG score to quantify appropriate ESG ambitions for local portfolios already represents a significant contribution to integrating ESG in the investment process and covers all global investments. In addition, the ambition levels are entered in the control systems and monitored for the portfolios. As a result, the Q-ESG score can be used to effectively manage the corporate bonds and equities asset classes. This means that Group companies can manage not only a material proportion of their portfolios but also what are, from an investor perspective, core ESG asset classes for supporting the transition to a more sustainable economy. [MDR-P 65 a, b]

[1] In the case of business acquisitions or comparable structural changes, the exclusions apply to the portfolios to be integrated as from the integration date. The screening criteria are based in all cases on the data available as at the investment date. Any updates or changes to the data, and any data subsequently becoming available for the first time are taken into account as from their publication date in the case of new acquisitions. Where an investment in an individual issuer is required to meet local underwriting obligations due to the issuer's size on the local market, an exception to the screening criteria can be made for the issuer concerned.

ACTIONS

2.2.3 Actions in asset management

The Talanx Group does not currently report any climate-related actions as defined by the ESRS for its investments, but rather refers to the policies and investment priorities described, which are implemented by the Group. The Group is currently working to present individual CSRD-aligned actions that are derived from these policies, including the calculated emission impacts and the financial resources deployed. The level of detail of these actions is currently insufficient to allow them to be reported. Furthermore, the Talanx Group draws attention to the fact that, since the primarily responsibility for concrete emissions reductions lies with the issuers, material levers are located there. By contrast, the policies mentioned are the right management instrument for an investor, which can indirectly influence and support decarbonisation. [ESRS 2 62, MDR-A 68, 69, E1-3 26, 28, 29 a, AR 21, AR 22]

POLICIES

2.2.4 Policies in underwriting

The provision of insurance services can have indirect environmental, economic and social impacts. The Talanx Group supports positive developments in relation to climate change mitigation by continuously expanding its ESG approach in the area of underwriting as well. The Talanx Group signed up to the UN Principles for Sustainable Insurance (PSI) in May 2020 and by doing so has committed to aligning its insurance business with the initiative's four Principles. These initiatives serve as a binding foundation and form part of the Group's strategic focus on continuously improving the sustainability of its underwriting activities. This means working together with customers and business partners to raise awareness of sustainability, identify and manage risks, and develop appropriate solutions. These fundamental business principles, which are specific to insurance, have been embedded in the Group's sustainability strategy and are reinforced throughout the Group by the Code of Conduct. The responsible Group functions such as Group Compliance ensure they are monitored. [ESRS 2 SBM-3 AR 8 a, MDR-P 65 a, c]

In addition to containing the consequences of climate change in underwriting, the Talanx Group's materiality assessment (see section 1.3 "Materiality assessment") also revealed that indirect GHG emissions in underwriting are important for the Group's strategic focus. For example, providing insurance services for energy-intensive sectors and industries may also lead to coverage being provided for activities involving higher GHG emissions that negatively impact climate change and global warming. The Group pursues two material strategic policies in this area, which are explained in this chapter. Firstly, exclusions and underwriting restrictions for certain risks offer an important management approach e.g. to mitigating the negative impacts caused by insuring climate-damaging industries and undertakings in the fossil energy sector. However, the Talanx Group considers it has a responsibility to partner actively with its customers, and to support and assist them in their transformation to climate-friendly business activities. Being a reliable partner that helps to shape this sustainable structural economic change is another material strategic policy for the Talanx Group. [ESRS 2 SBM-3 AR 8 a]

Restrictive approach to fossil fuels

The Responsible Underwriting Committee (RUC) determines the Group-wide screening and exclusion criteria to be adopted and regularly reviews the underwriting policy. In addition, it enhances the sustainability approach used in underwriting by weighing opportunities and risks. The RUC – the highest decision-making body for sustainability in underwriting – comprises the members of Talanx AG's Board of Management, who are advised in their work by an expert working group drawn from all Talanx divisions. [MDR-P 65 a, c, E1-2 22, 24]

Group-wide screening of the insurance portfolio is performed every year, collecting all information needed to implement the underwriting restrictions described below. Above and beyond this, additional data – such as the number of insured risks, the number of insurance contracts underwritten, and the gross premiums in a variety of fuel-specific subcategories – are captured during screening and assessed by the RUC. [MDR-P 65 a, b, E1-2 22, 24]

As is the case with investment, the Underwriting function has introduced Group-wide underwriting restrictions for thermal coal risks, among other things. Since coal can only be phased out responsibly in the medium to long term, the Group's aim is to have removed all thermal coal risks from its insurance portfolio after 2038. Thermal coal risks comprise mines, coal-fired power plants, and port and rail operations that are attributable solely to the coal industry. This also includes risks from mixed business activities where the share of the underwritten risk that is attributable to thermal coal exceeds 30%.[1] No new thermal coal risks have been insured since April 2019, contributing directly to reducing the expansion of the coal sector. Thanks to this approach, the Talanx Group has already succeeded in reducing the number of thermal coal risks in its insurance portfolio by 38% compared to 2019. [MDR-P 65 a, b, E1-2 22, 24]

In 2022, the Talanx Group developed a multistage plan that sets out its exit from thermal coal by 2038 in greater detail. The plan aims to successively phase out thermal coal risks in the Group using thresholds for coal mining for power stations, and for coal-fired power stations. The Group is adopting a cooperative dialogue with the companies concerned during the exit process. The objective is to transparently examine and discuss the companies' transformation potential together, so as to actively contribute to customers' sustainable development. [MDR-P 65 a, b, E1-2 22, 24, 25 a]

[1] The exclusion relates to all primary insurance and facultative reinsurance cover with the exception of motor and group accident policies.

The first phase, which runs from 2023 to 2025, focuses on thermal coal risks relating either to power plant coal producers extracting more than 100 million tonnes of thermal coal per year or coal-fired power plant operators with a total installed capacity of 25 gigawatts or more. Where no reduction to below the above-mentioned thresholds takes place, the risks concerned will be excluded from insurance cover by the end of the phase. In the next phase, the thresholds will be tightened to a maximum of 50 million tonnes for thermal coal extraction and 10 gigawatts for coal-fired power generation by the end of 2029. Where electricity is generated from a mix of energy sources, the share of revenue attributable to thermal coal may not exceed 10%, and the total amount may not exceed 10 gigawatts. The third phase requires a reduction to be made by the end of 2037 at the latest to below the thresholds of 20 million tonnes and 5 gigawatts respectively (10% and 5 gigawatts in the case of an energy mix). Where risks do not meet these criteria, the Group will shed its holdings from 2036 onwards. By the end of 2038 at the latest, all thermal coal risks – regardless of whether or not these are affected by the thresholds – will have been removed from the insurance portfolio and excluded from the insurance business. [MDR-P 65 a, b, E1-2 22, 24]

In those countries in which thermal coal plays a particularly large role in the energy mix and where access to alternative energy sources remains insufficient, the Group may, after reviewing the technical standards, permit a limited number of individual exceptions based on an adjusted reduction path so as to support the transition from thermal coal to other fuels in these countries. [MDR-P 65 a, b, E1-2 22, 24, 25 a]

In addition to its restrictive underwriting policy for thermal coal risks, the Talanx Group considers restrictions on insuring oil and gas projects to be particularly important. The following Group-wide exclusions on an individual risk basis have applied since 1 July 2023: The Talanx Group will not provide insurance cover for new greenfield upstream oil and gas projects. In addition, the Group will not offer insurance cover for new midstream projects for pipelines and tank farms (new and stand-alone) that are directly linked to greenfield upstream oil developments. Equally, it will exclude insurance cover for any stand-alone oil-fired power plants that were not under construction or operation as of 1 July 2023. [MDR-P 65 a, b, E1-2 22, 24, 25 a]

The Talanx Group can make a limited number of exceptions so as to permit insurance of new greenfield gas projects. These exceptions will be made on a case-by-case basis following an examination of the technical standards, provided that the project concerned supports the exit from thermal coal. This applies to countries in which thermal coal plays a particularly large role in the energy mix and where access to alternative energy sources remains insufficient, since the main focus here is on accelerating the withdrawal from thermal coal and supporting the shift to renewable energy. [MDR-P 65 a, E1-2 22, 24]

The Group has already excluded taking on new risks relating to oil sands, which are particularly harmful for the environment, and has announced that it will exit all risks completely by 2038. In the meantime, it has brought forward its exit in full from existing risks to the end of 2025. This extends to all risks for which 20% or more of the underlying revenue is generated from oil sands extraction and processing.[1] [MDR-P 65 a, b, E1-2 22, 24, 25 a]

The Talanx Group gives special treatment to regions that play a sensitive role in relation to nature conservancy and environmental protection. This is why it does not accept any new Arctic region drilling project policies. The Arctic region is defined as the zone to the north of the Arctic Circle, which has a latitude of 66° 34' north of the Equator. This also includes the Arctic National Wildlife Refuge (ANWR) in the United States. [MDR-P 65 a, b, E1-2 22, 24, 25 a]

As an insurer and key partner for industry, the Talanx Group is monitoring all fossil energy sectors in dialogue with its customers, and is continuing its existing policy of consistently adjusting its underwriting guidelines in line with the risks involved. [E1-2 22, 24]

In addition to adopting a restrictive approach to fossil fuels in general, the Talanx Group considers specific risks in connection with preserving habitats and ecosystems. For example, deep sea mining not only impacts ecosystems directly but also leads to the loss of unique biodiversity. This is why the Group excluded underwriting of deep sea mining project risks with effect from 1 July 2023. [MDR-P 65a, E1-2 22, 24] Furthermore, the Talanx Group does not insure any new projects if it becomes aware in advance that the free, prior and informed consent (FPIC) of affected indigenous peoples was not obtained.

The exclusions mentioned in this section apply globally to all Group risk carriers and companies over which Talanx exercises control. In the case of the Hannover Re Group, the restrictions apply to its facultative division. [MDR-P 65 a, b, d, E1-2 22, 24]

Partnerships for transformation support

As a leading provider of corporate & specialty insurance and reinsurance, the Talanx Group will partner with its customers in a constructive dialogue to support them in their sustainable shift to a low-carbon economy. The Talanx Group's engineering insurance operations constantly examine new, environmentally friendly technologies and their insurability. The Group assists here by transferring the risk of property damage or loss of earnings, among other things, hence facilitating the introduction of the innovations concerned. The Talanx Group is already one of the most important renewable energy (re)insurers. Its insurance portfolio ranges from wind power (onshore and offshore) through photovoltaic, geothermal and hydropower and biomass, down to grid and storage expansion. The Talanx Group insures both conventional generation methods and innovations such as floating wind farms and floating photovoltaic plants. [ESRS 2 SBM-3 AR 8 a, MDR-P 65 a, f]

[1] Oil sands extraction and processing encompass extraction from bituminous sand, refinement into synthetic crude oil, further processing of this synthetic crude into petroleum products and the associated transportation by pipeline or rail.

The Talanx Group is also supporting its heavy industry customers in their sustainable transformation (e.g. as they switch to green hydrogen) by providing cover for specific transformation risks. It sees an opportunity to establish itself as a market leader and generate corresponding growth by partnering with them in this transformation. Building and maintaining long-term, profitable customer relationships are crucial here, and also offer an opportunity for the Group to make a sustainable contribution to insuring this transformation. [ESRS 2 SBM-3 AR 8 a]

The Talanx Group considers that expanding environmentally friendly technologies, renewable energy, and the necessary infrastructure developments offers a business opportunity to support the shift towards renewable energy. Demand for insurance solutions will grow in line with the investment strategy and increasing investments in the sustainable energy infrastructure sector. Regarding risk consulting, there is a greater need to assess and reduce customers' exposure to climate risks and to improve their adaptability and resilience. The Group's offering – which includes risk analysis and data provision – can be used to specifically support customers taking precautions to protect themselves against natural catastrophes, and actions to protect the environment and society. [MDR-P 65 a, b, E1-2 25 b]

The policies are addressed to customers in all countries in which the Group is represented and aim to support industrial and business customers in particular in their transformation towards a low-emissions economy. The goal is to also transparently include Talanx Group customers in the necessary strategic developments. Senior management at the individual divisions is responsible for implementation and monitoring. Apart from the polices described, there are no other policies on energy efficiency or other climate-related topics. [ESRS E1-2 25 c, e, MDR-P 65 a, b, f]

ACTIONS

2.2.5 Actions in underwriting

The PCAF results and regulatory developments are being monitored closely so as to ensure that an adequate methodology for managing the insurance portfolio by its GHG emissions is implemented. As regards its insurance-associated emissions, the Talanx Group takes the view that, as a sector-specific topic, these cannot be a sector-agnostic reporting requirement and that they are also not a reportable KPI under the GHG Protocol. Consequently, they are not covered by the disclosure obligation set out in ESRS 1-6 44. However, the Talanx Group has to include insurance-associated emissions in its reporting as entity-specific disclosures, in line with the results of the materiality assessment, even though the influence that it has on customers' decisions about GHG emissions is generally extremely limited. The Group has exercised the phase-in option for this and has not reported any figures in its 2024 sustainability statement. What is more, the methodology for the PCAF standard, which is used as the underlying framework, does not yet cover all lines of business and products, while currently there are still insufficient insurance customer emissions data available to enable reliable calculation of the Talanx Group's insurance-associated emissions. Consequently, the Group is currently unable to sufficiently document the necessary basis for calculation or to quantify the minimum requirements needed to underpin reduction actions in an ESRS-compliant manner. Work is ongoing to be able to quantify insurance-associated emissions using the PCAF approach, and to formulate targets and actions designed to reduce emissions on this basis. Apart from the strategic policy approach, there are no sets of measures in place at present to manage insurance-associated emissions. [ESRS 2 62, MDR-A 68, 69, E1-3 26, 28, 29 a, AR 21, AR 22]

POLICIES

2.2.6 Policies for own operations

The policy that the Talanx Group is using to reduce its operational GHG emissions is based on measures being initiated and organised at a local level, with the global units contributing independently on their own responsibility. This approach is coupled with an organised, regular Group-wide dialogue that aims to promote and support reduction actions at the units, plus centrally organised emissions monitoring in line with GHG Protocol requirements. When cutting emissions, the Group's basic approach is firstly to avoid and reduce GHG emissions, and only after that to offset them. In line with this, it prioritises using renewable energy to avoid emissions and enhancing the efficiency of energy usage to reduce them. As regards Scope 1 and Scope 2 emissions, the policy only covers emissions at Group subsidiaries' workplaces. This relates to owner-occupied and leased properties. The policy does not cover emissions from consolidated real assets that are not attributable to own operations, such as investment properties and infrastructure investments (e.g. wind farms). [MDR-P 65 a, b, d]

The global policy addresses the following impacts that have been identified as material:

- Positive impact on the reduction of GHG emissions due to sourcing electricity from renewable energy and developing targets and action plans for achieving GHG neutrality (including offsetting of remaining emissions) in operations
- Positive impact due to promoting the shift towards renewable energy by sourcing electricity from renewable energy
- Negative impacts of failures to reduce GHG emissions by using climate-friendly transport
- Positive impact of vehicle fleet electrification
- Positive impact of reducing the consumption of heating energy and electricity in company buildings

The policy therefore serves to mitigate climate change and not to adapt to its consequences or other climate-related topics. Details of the actions resulting from the policy, which are designed to promote greater use of renewable energy and improve energy efficiency, are given in the following section 2.2.7 "Actions in own operations". [MDR-P 65 a, E1-2 25]

Responsibility for implementing the policy is spread across a number of organisational levels. The most senior level in the organisation that is accountable for the development and implementation of the reduction actions comprises the governing bodies of the Group entities concerned, e.g. the board of management of a company or the management of a branch location. In the case of the German locations and companies with the exception of the Hannover Re Group, the outsourcing agreements in force also assign responsibility for implementation to the management of the Corporate Services and Group Procurement units. Regular dialogue and monitoring is organised by Group Strategy & Sustainability at the most senior level of the Group, in the Talanx Group CEO's area of responsibility. This team is also responsible for reporting to the Group Board of Management and Group Supervisory Board at least once a year, in the course of the strategy update. The CFOs of the individual divisions are responsible for delivering the data. [MDR-P 65 c]

The Talanx Group does not operate any physical production facilities but rather offers services in the areas of insurance and finance. As such, its own operations by definition have less of an impact on the environment or the climate than, for example, manufacturing enterprises or companies that make heavy use of raw materials. Nevertheless, the Talanx Group focuses particularly on reducing its own footprint, since it is only in its own operations that it can influence its emissions directly in part. The Talanx Group employs approximately 31,000 people at its global sites, who consume energy and material, go on business trips, travel to and from work, or work remotely. In addition, the Group purchases products, operating materials and services that its employees need to do their jobs, such as office equipment, IT products or cloud computing services. Consequently, efforts to reduce emissions and monitoring of the policy described above comprise a variety of activities; these are listed in detail, and their methodologies explained, in section 2.2.9 "Gross Scopes 1, 2, 3 and Total GHG emissions". These activities do not relate to the Scope 1 and Scope 2 emissions from consolidated real assets. The Group is continuously expanding its methodological screening of plans and activities so as to assess trends in future GHG emissions. [MDR-P 65 a, b]

The following applies to the Hannover Re Group:
The Hannover Re Group's ESG positioning for its own operations has been summarised in its global Environmental Strategy 2024–2026 (see section 2.2.1 "Fundamentals of climate change mitigation"). One focus of the Environmental Strategy for its own operations is the reduction of GHG emissions related to power and heat supplies for the buildings. The Hannover Re Group has sourced electricity from renewable sources at its Hannover location since 2012. This was expanded to cover all office premises worldwide during the reporting year. Providing renewable electricity and heat to the buildings promote the shift towards renewable energy and hence supports the positive impacts on climate change mitigation. The Environmental Strategy also covers the Hannover Re Group's fleet of company vehicles. In addition, support for sustainability mobility has been offered since 2019, with the Hannover Re Group providing staff with the electricity needed to charge electric vehicles free of charge. Transitioning the fleet of company vehicles to electric options supports the positive impact on climate change mitigation. [MDR-P 65 a]

Description of material impacts in own operations in relation to climate change mitigation:

- A negative impact is produced in own operations if employees continue to use unsustainable means of transport such as planes for business travel.

Description of material impacts in own operations in relation to energy:

- The use of energy sources in own operations can lead to unavoidable GHG emissions and hence is potentially negative. However, systematically sourcing electricity from renewable energy for all owned and leased office buildings can send a positive signal and lead to GHG savings
- Promoting e-mobility for the fleet of company vehicles and providing free electricity from renewable sources for employees' vehicles can enhance acceptance of e-mobility and hence the shift towards renewable energy.
- Implementing energy efficiency measures in owned or leased buildings can reduce total energy consumption and hence have a positive impact.

ACTIONS

2.2.7 Actions in own operations

The most important actions taken by the Primary Insurance Group in the reporting period to implement its strategic policy to reduce GHG emissions from operations were to increase the use throughout the Group of electricity from renewable energy, to optimise the utilisation of office space in Germany and to electrify the Group's vehicle fleet in Germany. [MDR-A 68 a]

As regards Scope 1 and Scope 2 emissions, the actions only cover emissions at Group subsidiaries' operations. This relates to owner-occupied and leased properties. The actions do not cover emissions from real assets that are not attributable to own operations, such as self-managed investment properties and infrastructure investments (e.g. wind farms). The following detailed descriptions of the three actions relate solely to the Primary Insurance Group. The Hannover Re Group has not reported any actions within the meaning of the ESRS for 2024, but rather refers to its policies.

Use of electricity from renewable energy

The Talanx Group is working continuously to increase the share of total electricity consumption at all locations worldwide accounted for by electricity from renewable energy. It succeeded in lifting the share for the Primary Insurance Group as a whole from 59% to 70% in the reporting year. This action related to electricity consumption in the Group's own workplaces not including the upstream value chain. All business units in Germany, Switzerland, the United Kingdom, Austria and Ecuador already only sourced electricity from renewable sources as at the beginning of the reporting year, with the exception of the electricity used to charge electric vehicles at third-party operators' charging stations. Consequently, the action did not lead to any further reduction in emissions at these locations during the reporting year. The Group aims to have completed its switch to electricity from renewable energy in full by 2050 at the latest, in line with its ambition of achieving net zero emissions throughout the Group by 2050. Successfully implementing this action primarily depends on the availability of electricity from renewable energy and the necessary infrastructure being available at the locations concerned. Financial barriers to implementation are considered to be low, provided that it is possible to source electricity from renewable energy from local suppliers. The action led to a year-on-year reduction in Group-wide emissions of 1,579 tonnes of CO_2 equivalents (tCO_2e). Emissions per employee declined by 74 $kgCO_2e$. GHG emissions reported for purchased or acquired electricity from fossil fuels in the reporting year amounted to 4,603 tCO_2e (169 $kgCO_2e$ per employee); this represents the additional potential reduction that could be achieved by this action at present. [MDR-A 68 a, b, c, e, E1-3 29 a, b, AR 21, E1-4 AR 30 b]

Optimisation of office space utilisation rates

The utilisation rates for the office space that the Group owns and occupies or leases fluctuate in line with levels of remote working, part-time working models, business travel and vacation or sick leave. Consequently, making an individual workstation per employee permanently available is not an efficient use of office space. For this reason, a number of locations in Germany such as Hannover, Cologne and Hilden use a desk-sharing model plus monitoring of capacity utilisation in order to make more efficient use of office space, reduce it if possible and hence save electricity and heating energy. Since the German Group locations already only use electricity from renewable energy, the only impact on the GHG footprint comes from reducing the heating energy needed. After a 15% reduction in heated operating space was achieved year-on-year in 2023, the figure for the reporting year was constant (increase of less than 0.1%). A further reduction in space of 5% is expected for 2025. This forecast is based on contracts that have already been signed as at the beginning of 2025 and therefore cannot foresee any further potential changes in space over the year. The goal is to ensure efficient utilisation of office space with this action for the long term. There are no resource-related restrictions on implementing this action. GHG emissions in connection with heating at German locations fell by 771 tCO_2e in the reporting year, a year-on-year reduction of more than 20%. These emissions reductions cannot be directly associated with the change in heated operating space in the reporting year due to the large number of factors influencing the emissions and the time lag involved in determining them. Based on the current space-based heating emissions intensity, the forecast 5% reduction in space for 2025 would result in an estimated emissions reduction of an additional 147 tCO_2e. However, this estimate has limitations: for example, the assumed linear relationship between office space and the required heating energy is not necessarily correct, since the physical condition of the buildings and the heating engineering are not the same at all German locations. Options for further reducing space will be repeatedly re-evaluated as the action continues for the long term. [MDR-A 68 a, b, c, E1-3 29 a, b, AR 21]

Electrification of the Group's vehicle fleet in Germany

In 2022, a pilot project was launched to electrify the fleet of company vehicles in Germany. The aim is to make a further contribution to the goal of achieving GHG neutrality in global operations (including offsetting of remaining emissions) by 2030 at the latest by switching the vehicle fleet over to e-mobility options. The pilot vehicles are being used to gather experience on charging options, including at the locations, and on how to integrate the vehicles in our operational processes. One action to avoid GHG emissions from the combustion of fossil fuels is to phase out purely internal combustion engines (ICE) and in the longer term also hybrid vehicles from the German vehicle fleet. The share of fully electric vehicles in Germany in the reporting year remained constant year on year, at 2%. The share of ICE-only vehicles decreased from 70% (2023) to 40% (2024), while the share of hybrid vehicles rose from 27% (2023) to 58% (2024) (percentages may not total 100% due to rounding). Absolute GHG emissions from diesel and petrol rose by 332 tCO_2e in the reporting year, since the number of vehicles in the fleet increased from 480 to 532. Average GHG emissions per vehicle remained almost constant (a slight increase of 1%). The goal is for the successive electrification of the German fleet to be well advanced by 2030, and for it to have been finally implemented by the end of 2038 when the last vehicles that are not fully electric are to be retired. Financial barriers to implementation are considered to be low. All in all, emissions at German locations from the combustion of petrol and diesel totalled 3,024 tCO_2e in the reporting year. Consequently, at present these emissions represent the additional potential reduction that could be achieved in the period up to full implementation of this measure in Germany. [MDR-A 68 a, b, c, e, E1-3 29 a, b, AR 21, E1-4 AR 30 b]

2.2.8 Targets related to climate change mitigation and adaptation

The Talanx Group's non-financial statements and sustainability reports for previous years, which were not prepared in accordance with the ESRS requirements, talk about a "target" for 2050 in relation to the Group's net zero strategy. The new definitions and standards specified in the context of the regulatory requirements under the ESRS require that the net zero emissions on which the formulation of a science-based net zero target is based be clearly distinguishable and measurable. However, the preconditions for this cannot be met by the Group at present. This is largely because the necessary reduction in emissions depends to a large extent on the Scope 3 categories under the GHG Protocol and on insurance-associated emissions. It is already the case that the Group's directly influenceable Scope 1 and Scope 2 emissions from own operations not including insurance-associated emissions do not make up more than 1% of total attributable emissions under the GHG Protocol. However, the other emissions categories relate to emissions that cannot be directly influenced by the Group's activities due to supplier or customer relationships or investment activities. For example, unavoidable emissions arise when employees commute to their operating locations or when necessary goods such as IT infrastructure or office furniture are acquired. What is more, emissions from investment and insurance activities also have an impact; in this case, their direct management is ultimately the responsibility of the issuers or policyholders, on whom the Talanx Group can only exercise a limited influence. In the case of the insurance-associated emissions in particular, a further point is that sufficient measurability does not yet exist across all of the Group's lines of business. On the one hand, the methodology for the PCAF standard, which is used as the underlying framework, does not yet cover all lines of business and products, while on the other, there are still currently insufficient insurance customer emissions data available to enable reliable calculation of the Talanx Group's insurance-associated emissions. Consequently, the Group is currently unable to sufficiently document the necessary basis for calculation or to quantify the minimum requirements needed to underpin a net zero target with milestones and reduction actions in an ESRS-compliant manner. Nevertheless, the Talanx Group is continuing to emphasise its responsible role in climate change mitigation and is underscoring its clear aspiration to reach net zero emissions by 2050 throughout the Group. The establishment of a corresponding pool of data and the formulation of reliable targets as far as possible are planned for the coming years. The change in wording as compared to previous publications must therefore be seen as an adaptation to the enhanced regulatory framework and definitions, not as a change in the underlying sustainability strategy. [E1-4 30, 32, 33]

A Group-wide transition plan, which depends on the availability of the underlying data and information, is currently under development but is not yet included in the reporting. The Talanx Group's current work to develop future science-based 1.5°C-aligned targets focuses on the global goals defined in the Paris Agreement on climate change. Going forward, necessary decarbonisation levers and associated key actions will be published as part of a comprehensive transition plan, which will include a quantification of their impact. The Talanx Group is not disclosing any CapEx information at this point. The potential locked-in GHG emissions have not yet been quantified or qualitatively assessed. The Talanx Group is working continuously to reduce emissions in its own operations and in its value chain. [E1-1 14, 16, 17, AR 1, AR 4]

Although publication of a transition plan is planned for the coming years, individual actions and targets are already mentioned in the relevant chapters. [E1-1 14, 17]

Asset management

The Talanx Group has set itself a target for reducing the GHG intensity of its investments that will contribute to mitigating climate change and specifically combat the identified material negative impact arising from the fact that investments in GHG-intensive industries can potentially facilitate climate change. The GHG intensity of the global liquid investment portfolio of corporate bonds (including covered bonds) and equities was successively reduced in line with the climate strategy developed in 2021. The Talanx Group had originally set itself the goal of a 30% reduction in the revenue-based GHG intensity of this liquid portfolio by 2025 compared to the 2019 base year. This corresponded to an annual reduction of roughly 7% and is an important part of the Group's long-term pathway towards achieving net zero emissions by 2050. The intensity figure had already fallen below the target 30% reduction mark as at the 31 December 2023 reporting date. As at the 2024 year-end, the reduction compared to the 2019 base year using the definition given amounted to 51%. The progress made with decarbonisation in the period since 2019 is due to the following factors:

- The targeted divestment of issuers with particularly high GHG intensities and low transformation ambitions
- The systematic exclusion of new investments in business models with high GHG intensities (e.g. thermal coal and oil sands) and a reduction in exposure to the fossil fuels sector
- Above-average growth in investments in business models with lower emissions
- Actual reductions in GHG intensities for individual issuers
- Actual revenue increases for issuers that result in lower intensities for the same emissions
- A decline in economic activity in certain business areas

It is not possible at present to quantify the contribution made by these matters to the progress achieved with decarbonisation. [E1-4 34 f, AR 30 a] However, macroeconomic conditions and the associated emissions trend at issuers, the changing shares of the Group portfolio accounted for by the segment portfolios and changes in the overall portfolio mean that GHG intensity is subject to constant fluctuations.

An investee's revenue-based GHG intensity is calculated using its Scope 1 and Scope 2 emissions, measured in tonnes of CO_2e, standardised by the revenue for a financial year in millions of euros. The portfolio intensity is determined using the market value weighted aggregation of the intensities of the portfolio components. This allows the GHG intensity to be calculated for each of the Talanx Group's divisions. To ensure the targets for the divisions remain constant, the portfolio intensity is measured at all times using the market value weightings for the divisions as at the starting date (31 December 2019). This prevents changes in the market values of the divisional portfolios affecting how their GHG intensity is managed. The target pursued to date is not aligned with the PCAF standards and cannot be classified as a science-based target. [E1-4 31, 33, AR 25 d, MDR-T 80 c]

The Talanx Group resolved in the reporting year to implement an enhanced ambition for this decarbonisation pathway so as to continue on pathway towards net zero emissions in investments by 2050. The existing target will be modified by increasing the reduction target for EVIC[1] -based GHG intensity for financed Scope 1 and Scope 2 emissions to 55% by 2030 compared to the representative base year of 2019.[2] When determining the target value, both the above-mentioned volatility drivers and economic and political conditions that can significantly impact intensity outside the Talanx Group's sphere of influence are taken into account. In addition, the Group's above-average growth in the emerging markets plays a role. Apart from the target value, the target portfolio – which previously comprised corporate bonds (including covered bonds) and equities – will be expanded to include near-public sector issuers. As a result, the target covers approximately 4.9% of the Talanx Group's Scope 3.15 emissions. If one only takes into account the Scope 1 and Scope 2 emissions from corporate finance that underlie the target, the coverage amounts to 74.0%. The Talanx Group considers this to be an extension of its existing target. The use of EVIC-based GHG intensity and the extension to include additional issuers improve the quality of the information provided and do not materially change the methodology used to date. For this reason, reference is still made to the 2019 base year. Also, as previously explained, the existing goal cannot be considered to have been permanently met due to the dynamic character of the intensity metric. This is not a science-based target. The calculation methodology for emissions relevant to the climate strategy target is defined in the same way as the methodology for calculating total financed emissions under Scope 3.15., which is described in section 2.2.9 "Gross Scopes 1, 2, 3 and Total GHG emissions". The only difference is that, in contrast to the PCAF-based emissions calculation for debt instruments described in that section, the market value rather than the nominal amount is used. The progress made towards achieving the target is constantly tracked and published annually in the sustainability reporting. To date, the Talanx Group has not identified or quantified any concrete levers or actions as defined by the CSRD to achieve its investment target. There is no direct connection with the investment policies. No sectoral or cross-sector decarbonisation pathways exist. The target is not guaranteed compatible with the 1.5°C goal and is not based on climate scenarios. It is not explicitly planned to introduce any new technologies to achieve the target. The target was resolved by the RIC. All relevant internal stakeholders, such as the chief investment officers of the Group's divisions and the CFO, were involved in setting the target. [E1-4 30, 33, 34, AR 24, AR 25 a, AR 26, AR 30 b, c, MDR-T 79, 80 a, b, d, e, f, g, h, j]

Expressed in relation to the total investments in the global liquid investment portfolio of corporate bonds including covered bonds, near-public issuers and equities as at the 2024 year-end (EUR 54.8 billion), the targeted intensity reduction would lead to an absolute reduction in emissions of 3.0 million tCO_2e, from 5.5 million tCO_2e to 2.5 million tCO_2e. However, since the target is based on intensity, this derived absolute target value is a snapshot as at the reporting date and varies with changes in the underlying investment volume. Consequently, target achievement does not depend on reaching the absolute level of emissions. [E1-4 34 c, AR 23, MDR-T 80 c, d]

An emissions reduction of 60.7% to 38.1 tCO_2e/EUR million as against the base year 2019, which had the baseline intensity of 96.9 tCO_2e/EUR million, was achieved in the period up to mid-December 2024. This corresponds to an absolute reduction in financed emissions of approximately 3.4 million tCO_2e, which was also driven by changes in the market value.

The following applies to the Hannover Re Group:
In addition to the decarbonisation of the investment portfolio, dialogue with issuers about ESG and climate matters – which also forms part of the Environmental Strategy – is seen as an important means of promoting the transition to a lower-carbon world and of making it possible to reach global climate goals. [MDR-T 80 a] In line with this, a strategic quantitative commitment target was resolved for the current 2024–2026 strategy cycle that aims to enhance dialogue with issuers and hence to positively influence climate change mitigation. [E1-4 33] The target specified provides for regular dialogue on ESG and climate matters with at least 20 issuers in the Hannover Re Group's investment portfolio from 2024 to the end of 2026. The baseline value from which progress is measured is "technically" zero, in line with the number of such discussions held in 2023. [MDR-T 80 b, c, d, e]

[1] EVIC: enterprise value including cash.
[2] As the market develops, comparability improves and more data become available, the previously used revenue-based GHG intensities will be replaced by enterprise-based (EVIC-based carbon) intensities starting in financial year 2025. A company's EVIC-based GHG intensity is calculated using its Scope 1 and Scope 2 emissions, measured in tonnes of CO_2 equivalents, standardised by the company's EVIC in EUR million. The Talanx Group uses the intensity metrics supplied by external data providers for this. Subsequently published data were also taken into account for the base year, so as to ensure that the basis was covered as well as possible (MDR-T 80b).

Another goal set out in the Hannover Re Group's Environmental Strategy is to increase sustainable investments. [MDR-T 80 a] The increasing addition of sustainable investments to the investment portfolio explicitly relates to investments that support the transformation to a resource-efficient, climate-neutral economy. This includes the following in particular: [MDR-T 80 c]

- Sustainable infrastructure investments, e.g. in renewable energy and clean transportation that accelerate the shift away from fossil fuels by providing low-carbon alternatives
- Impact investments, which promote particularly sustainable innovations such as in the areas of the circular economy, energy storage or energy savings
- Sustainable forestry and agricultural investments

The aim is to increase these investments in line with the Environmental Strategy by at least 45% in the period from 2024 to the end of 2026 compared to the baseline value from the end of 2023 and hence to have a positive impact on both climate change mitigation and the shift towards renewable energy. In addition, negative influences on the climate will be significantly reduced. [MDR-T 80 a, b, d, e, E1-4 33]

The last two investment targets are based on the Hannover Re Group's strategic assumptions and not on specific scientific evidence. [MDR-T 80 f, g] External stakeholders were not consulted when setting the targets. [MDR-T 80 h] Compliance with the targets is constantly monitored and the Board of Management is informed of the progress made at least once a year. The progress made towards the targets is in line with what had been originally planned. [MDR-T 80 j] No significant change in the performance of the undertaking towards achieving the target could be established.

Underwriting

The following applies to the Hannover Re Group:

As part of its Environmental Strategy, the Hannover Re Group has set itself the goal of decarbonising its facultative division. [MDR-T 80 a] This involves scaling back its carbon-intensive Property/Casualty Reinsurance business, reducing the negative impacts on climate change. [E1-4 33] The target set is to reduce the number of facultative reinsurance contracts for thermal coal risks by 20% in the period from 2024 to 2026. [MDR-T 80 b, c, e] The benchmark for measuring progress is the number of facultative reinsurance contracts relating to thermal coal that existed in 2023. The number of contracts involved cannot be given in more detail for competitive reasons/reasons of confidentiality.

Driving forward the transition and better managing the reinsurance business in relation to ESG depends on achieving a common understanding together with global customers and on increased transparency on ESG matters. Consequently, the Hannover Re Group has set itself another goal in its Environmental Strategy of enhancing dialogue on, and commitment in relation to, ESG topics with its reinsurance customers. [MDR-T 80 a] By adopting this goal, the Hannover Re Group is increasing transparency and obtaining information on its customers' sustainability efforts. This reduces the negative impact on climate change mitigation of reinsuring carbon-intensive sectors and the occurrence of liability risks in the case of unsustainable business practices. [E1-4 33] The target set is to conduct a dialogue on ESG focus topics with the 100 largest Property/Casualty Reinsurance customers in the period from 2024 to 2026. [MDR-T 80 b, c, e] The baseline value from which progress is measured is zero, in line with the number of such discussions held in 2023. [MDR-T 80 d]

To strengthen societal resilience, the Hannover Re Group has set itself the additional goal in its Environmental Strategy of expanding its sustainable insurance solutions for mitigating the consequences of climate catastrophes and natural catastrophes in emerging markets and developing countries. [MDR-T 80 a] The Hannover Re Group is helping to reduce this gap in insurance cover caused by the absence of insurance for climate risks by stepping up cooperation with its partners, hence reducing the negative impact in connection with climate change mitigation and climate change adaptation. [E1-4 33] The target set for the period between 2024 and 2026 is to underwrite five additional Property/Casualty Reinsurance programmes aimed at providing cover for nat cat risks in emerging markets and developing countries. [MDR-T 80 b, c, e] The baseline value from which progress is measured is the existing number of such programmes in 2023, which is to be increased by five. [MDR-T 80 d]

The three reinsurance targets outlined are based on the Hannover Re Group's strategic assumptions and not on specific scientific evidence. [MDR-T 80 f, g] Stakeholders were not consulted when setting the targets. [MDR-T 80 h] Compliance with the targets is constantly reviewed; the Board of Management is informed of the progress made twice a year. The progress made towards the targets is in line with what had been originally planned. No significant change in the performance of the undertaking towards achieving the targets could be established. [MDR-T 80 j]

Own operations

The Talanx Group has embedded climate change mitigation in its sustainability strategy and intends to achieve net zero emissions in its entire business by 2050; this encompasses not only its own operations but also its underwriting and investment activities. In 2020, the Talanx Group adopted a short-term target on its way to net zero in 2050 of reducing its operational GHG emissions in Germany (Scope 1 and Scope 2 (market-based) in accordance with the GHG Protocol) by 25% compared to the 2019 base year by 2025.[1] In the base year, 35% (2024: 52%) of the emissions included were from Scope 1 and 65% (2024: 48%) were from Scope 2. Expressed in terms of the original scope of reporting, the target was already met in 2023, with a 38% reduction compared to the base year being achieved. This level of reductions was kept almost stable in the reporting year, with the figure now amounting to 37% compared to the base year of 2019. Meeting the target ahead of schedule underscores the continuous efforts being made to shrink the environmental footprint. The strategic orientation on a Group-wide reduction target described above is not science-based and hence is not necessarily compatible with the goal

[1] As a matter of principle, own operations targets do not include the consolidated real estate and infrastructure investments that are held solely for investment purposes.

of 1.5°C. The Talanx Group is currently engaged in developing such a target. No climate scenarios or similar metrics were initially included when setting the target. Developments influencing GHG emissions and corresponding reductions were taken into consideration through the reduced use of fossil fuels such as gas. Potential decarbonisation levers such as more efficient energy usage were only considered from a qualitative perspective during target setting; the electricity used was already sourced exclusively from renewable energy at the time of base year. The year before the COVID-19 pandemic, 2019, was taken as the base year to improve comparability. Total Scope 1 and Scope 2 emissions (market-based) for the German locations amounted to 9,765 tCO_2e in 2019. As part of target achievement, decarbonisation levers in the form of efficient energy usage were determined for Scope 2 in particular. This is reflected in the fact that Scope 2 emissions (market-based) in the reporting year were 3,391 tCO_2e lower that those for the base year – a 53% reduction. Group Strategy & Sustainability has been entrusted with monitoring, since emissions data from the Group-wide business units are needed to measure and monitor target achievement. All relevant internal stakeholders such as the Group's Board of Management, the Supervisory Board and all central Group functions involved (such as Facilities Management and Strategic Purchasing) were included in target-setting. The target described represents a milestone on the road to the goal of achieving global GHG neutrality in own operations (including offsetting remaining Scope 1 and Scope 2 emissions and Scope 3.1 to 3.14 emissions) by 2030. [MDR-T 79, 80, E1-4 30, 32, 33, 34, AR 24, AR 25 a, b, d, AR 26, AR 30 a, c]

The Talanx Primary Insurance Group has offset the Scope 1 and 2 emissions and Scope 3.1. to 3.14. emissions that it discloses for its own operations in Germany since 2019.[1] The Group is aiming to achieve GHG neutrality (including offsetting of remaining emissions) for emissions from its own operations (Scope 1 and Scope 2 (market-based) plus Scope 3.1. to Scope 3.14. in accordance with the GHG Protocol) at all its global locations by 2030 at the latest. The base year referenced is still 2019, due to the direct link to the existing emissions reduction target. Scope 1 emissions (13%) and Scope 2 emissions (10%) currently only account for a small proportion of total emissions from own operations (not including the emissions from consolidated real assets) in the Talanx Group; the largest share (76%) is accounted for by Scope 3.1. to Scope 3.14. emissions. Percentages are rounded to a single decimal place. Rounding differences may occur. The transition to a low-emissions, climate-friendly economy needs to be comprehensively planned and must include setting short-, medium- and long-term targets, including specifying all climate change adaptation and mitigation actions in extensive detail. The strategic orientation for a Group-wide reduction target described above is not science-based and hence is not necessarily compatible with the 1.5°C goal. The Talanx Group is currently engaged in developing such a target. No climate scenarios or similar metrics were initially included when setting the target. The Talanx Group has already implemented all material technologies needed to achieve its aim of GHG neutrality (including offsetting remaining Scope 1, Scope 2 and Scope 3.1. to 3.14. emissions) in its own operations by 2030, and to achieve its interim goal for 2025, and is endeavouring to expand the technologies' application. The Group is open to the use of additional technologies to achieve its targets. However, there are no plans at present to implement additional technologies. In line with the GHG Protocol, all relevant and necessary greenhouse gases are included in the Talanx Group's calculations, target setting, policies and actions using GHG equivalents. [MDR-T 80, E1-4 30, 32, 33, 34, AR 24, AR 25 a, b, d, AR 26, AR 30 a, b, c]

The following applies to the Hannover Re Group:
The Hannover Re Group's aim in setting goals as part of its Environmental Strategy is to further decarbonise its facultative division. [E1-4 33, MDR-T 80 a]

To do this, it set itself the target for the 2024 reporting year of procuring 100% of the electricity for the global Hannover Re Group (in kWh) from renewable energies. Supporting the shift towards renewable energy by purchasing electricity from renewable sources and reducing the consumption of heating energy and electricity in company buildings strengthens positive impacts in connection with climate change mitigation and climate change adaptation. [E1-4 33, MDR-T 80 b, c, e] The Group's use of electricity from renewable energy in the reference year, 2023, was 67%. [MDR-T 80 d] The target was met in the reporting year. The procurement of electricity from renewable energies will be continued in coming years. [MDR-T 80 j]

In addition, the Environmental Strategy has set the goal in relation to its leasing of company vehicles to full electrify the fleet at its Hannover location by 2030. [MDR-T 80 a, b, c, e] Transitioning the fleet of company vehicles to e-mobility options supports the positive impact on climate change mitigation, the acceptance of e-mobility and the shift towards renewable energy. [E1-4 33] The share of electric-drive company cars in the reference year, 2023, was 9%. [MDR-T 80 d] The progress made towards the targets so far is in line with what had been originally planned. [MDR-T 80 j]

The two own operations targets are based on the Hannover Re Group's strategic assumptions and not on specific scientific evidence. [MDR-T 80 f, g] Stakeholders were not consulted when setting the targets. [MDR-T 80 h] Compliance with the targets is constantly reviewed; the Board of Management is informed of the progress made twice a year. [MDR-T 80 j] No significant change in the performance of the undertaking towards achieving the targets could be established.

[1] Does not relate to consolidated real estate and infrastructure investments for investment purposes only.

2.2.9 Gross Scopes 1, 2, 3 and Total GHG emissions

The Talanx Group follows ISO 14064, the international greenhouse gas standard. It built on this in the 2024 financial year to expand its internal framework for ensuring uniform data capture and reporting, and the quantification of GHG emissions throughout the Group. Scope 1 and Scope 2 GHG emissions and the Scope 3 emissions that are considered to be material are measured and reported in line with the reporting thresholds defined in the GHG Protocol's operational control approach.

GHG emissions have to be measured and reported for the sustainability strategy to be implemented. Although standardised methodologies and emission factors increase the consistency, comparability and transparency of the emissions data, they cannot guarantee complete objectivity. Scope emissions are calculated using both activity data and emission factors. Primary data (specific data, especially data provided by suppliers and partners) and secondary data (sector-specific averages, cost-based calculations and other generic data sources) are both used. Emissions related to own operations are calculated using emission factors supplied by the International Energy Agency in the case of emissions relating to electrical energy. A factor provided by Ecoinvent is used for emissions relating to district cooling. Data from the UK's Department for Environment, Food & Rural Affairs (Defra) are used for all other sources of emissions. These established providers supply up-to-date, standardised data that permit adequate reporting.

The categories used for reporting emissions are defined as follows:

- Scope 1: Direct emissions from sources owned or controlled by the organisation (liquid or gas fossil fuels, owned and leased vehicles, and refrigerants emitted by cooling systems)
- Scope 2: Indirect emissions from purchased or acquired energy (electricity, district heating and district cooling)
- Scope 3: Indirect emissions from business-related activities and supply chains (e.g. business travel and purchased goods and services, but also financed emissions)

The principles, requirements and guidelines set out in the GHG Protocol are used for quantitative disclosures of Scope 1 emissions. The underlying data are derived from the local business units and cover fuel consumption from fossil and renewable sources, and self-generated energy consumption. This provides a reasonable basis for reporting on, and strategic planning of, energy consumption. [E1-6 AR 39 b]

The Talanx Group applies both the location-based and the market-based approach to quantifying Scope 2 emissions. The combination of the two approaches gives the Talanx Group a comprehensive view of its Scope 2 emissions. The location-based approach is based on average emissions factor data for energy generation in the locations throughout the Group, measured at country level. It draws on information on the country in which the unit concerned is located plus total purchased energy consumption. By contrast, the market-based approach quantifies Scope 2 emissions on the basis of the GHG emissions at the concrete energy producers from which the Group units source their energy. In addition to electricity consumption, energy-related heating and cooling consumption is relevant to Scope 2 emissions. [E1-6 AR 39 b, AR 45 d]

To the extent that the Talanx Group or individual units use electricity from renewable energy, the relevant credits are lodged. This ensures that the electricity actually comes from these energy sources and hence is emission-neutral. Within Scope 2, a total of 85% of the energy from renewable sources that is used comes from contractual relationships with bundled instruments, while 15% comes from the additional acquisition of unbundled instruments. [E1-6 AR 45 d]

The proportion of total Scope 2 emissions from Group-wide energy utilisation attributable to biomass is extremely small and estimated to be <1%. Consequently, it is not currently possible to disclose biogenic emissions of CO_2 from the combustion or biodegradation of biomass separately from Scope 2 emissions. Another challenge is the fact that the emission factors used do not disclose the proportion of biomass or biogenic CO_2 separately at present. [E1-6 AR 45 e]

The following GHG Protocol subcategories were identified as material for the Scope 3 emissions from activities in the entity's upstream and downstream value chain. Where subcategories are declared to be immaterial, this is done on the basis of a substantive reason backed up by evidence in the form of quantifiable calculations.

Material Scope 3 categories are: [E1-6 AR 46 d, i]

- Scope 3.1. Purchased goods and services
- Scope 3.2. Capital goods
- Scope 3.3. Indirect fuel and energy-related activities
- Scope 3.6. Business travel
- Scope 3.7. Employee commuting and remote working
- Scope 3.15. Investments

The Group has taken a series of measures to further improve its reporting so as to disclose Scope 3 insights and actions. Enhancing Scope 3 reporting is a process that will probably take several years and in relation to which the Talanx Group consistently aims to disclose relevant and adequately precise data, and to apply suitable methodologies and standards. The Talanx Group undertakes to review the GHG emissions that it publishes and to take corrective action if necessary. This ensures that the emissions reported represent the emissions generated by the Group's business activities correctly and completely. When capturing the underlying data, the Talanx Group complies with the priorities recommended by the GHG Protocol for selecting data sources. [E1-6 AR 39 b]

The Talanx Group includes the utilisation of data centres and cloud computing as a material service in category 3.1. “Purchased goods and services”. For preference, the underlying data are sourced directly from the service provider concerned in the form of previously disclosed GHG emissions or energy usage in connection with the service. If such data cannot be provided, the service costs are used as the basis for calculation and are multiplied with cost-based emission factors. Country-specific emission factors used in energy-related calculations of GHG emissions are sourced from the International Energy Agency, and cost-based emission factors from Scope3analyzer. Scope3analyzer is a tool that is used to calculate emissions in the upstream value chain. [E1-6 AR 39 b, AR 46 g, h]

Scope category 3.2 “Capital goods”, is used to recognize notebooks, monitors, servers and office furniture purchased in the reporting year across their life cycle as material goods from the upstream value chain for the Talanx Group. Calculation of the emissions associated with notebooks and monitors is performed at the product level on the basis where possible of model-specific cradle-to-gate GHG footprints, which are published by the manufacturers, for example. Conversely, servers and office furniture – subcategories that comprise a wide range of different items – are estimated using cost-based emission factors provided by the Scope3analyzer. [E1-6 AR 39 b, AR 46 g, h]

Scope category 3.3. “Indirect fuel and energy-related activities” contains firstly emissions from the upstream life cycles of fuel and energy sourced in the reporting year that do not result from the combustion process for energy generation. Secondly, it also reports emissions from the generation of energy that was lost during the transmission of utilised energy. The fuel consumption and energy utilisation data captured for Scope 1 and 2 serve as the underlying data for the calculation, and are multiplied by current emission factors from the International Energy Agency or Defra. [E1-6 AR 39 b, AR 46 g, h]

Scope category 3.6. “Business travel” is used for emissions from employee transport for business purposes. Emissions related to employee commuting and travel in Group-owned vehicles are not included in this category, but are reported instead in other scopes or Scope 3 categories. The Talanx Group’s material types of mobility comprise train journeys, car travel with the exception of taxi journeys, private flights and regular flights, which are divided into the “short-, medium- and long-haul” subcategories. For preference, supplier-specific GHG emissions data or the distances travelled by type of mobility are used as the underlying data, since fuel- and energy-related data are generally not available. If the distances are not known, a cost-based estimate of the emissions is performed. Emissions are calculated using either Defra’s distance-based emission factors or cost-based emission factors from Scope3analyzer. For preference, private flights are included on the basis of the providers’ emissions data. Where these are not known, the aircraft type and the route travelled are used to calculate the emissions for the specific aircraft with the help of the Small Emitters tool provided by Eurocontrol, the European Organisation for the Safety of Air Navigation. Emissions related to train travel with Deutsche Bahn were either avoided by this provider sourcing electricity from renewable energy or offset by it. The Talanx Group does not know the amount of emissions offset. Nonetheless, route-based emissions totalling 377 tCO_2e were calculated for all journeys undertaken with Deutsche Bahn and included in the Group’s GHG footprint. This ensures that the Deutsche Bahn emissions are included in the Talanx Group’s GHG footprint, regardless of whether they are offset or not by Deutsche Bahn. Consequently, the Group does not additionally offset train travel emissions. [E1-6 AR 39 b, AR 46 g, h]

Emissions in Scope category 3.7. “Employee commuting and remote working” are initially estimated by assessing commuting behaviour, including the means of transport and the route to and from work, plus the duration of remote working. For preference, specific regional surveys are conducted within the Group, since it is not possible to collect data from all employees. Only the duration of remote working is also captured directly in some cases. By contrast, external studies are used to estimate commuting behaviour at the Hannover Re Group. The estimates produced are then extrapolated to all regional workforces. Energy requirements for remote working are estimated using average performance data supplied by the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e. V. (Association for Environmental Management and Sustainability in Financial Institutions). After this, current emission factors supplied by Defra and the International Energy Agency are used to calculate the emissions. [E1-6 AR 39 b, AR 46 g, h]

With respect to its own investment portfolio, the Talanx Group determines the financed GHG emissions in Scope category 3.15. in accordance with the guidance issued by the Partnership for Carbon Accounting Financials (PCAF). In addition, the methodology is extended in some cases to investment classes that are not currently included in the existing PCAF standards. These include sub-sovereign bonds, covered bonds and indirect investments. Although the Group endeavours to calculate the financed emissions for as large a proportion of the portfolio as possible, the potential degree of coverage is limited by the incomplete development of the underlying methodologies and the limited availability of reliable data. Consequently, financed emissions are not currently calculated for asset-backed securities (ABSs), mortgage-backed securities (MBSs), cash and derivatives, among other things. Equally, no financed emissions are calculated for unit-linked life insurance, since no calculation methodology is available for this. The coverage and the data quality will be continuously and systematically expanded as soon as suitable methods exist for this. The financed emissions are calculated by weighting the investment by the issuer's or the investment's GHG intensity in accordance with the underlying investment categories in four key areas:

- Corporate financing – debt: This includes all debt investments in liquid and illiquid corporate bonds and near-public entities
- Corporate financing – equity: This comprises investments in listed equities and private equity
- Financing of real assets: This area consists of investments in real estate, infrastructure projects and mortgage loans
- Sovereign debt: This comprises investments in public debtors and supranational public-sector issuers and other sovereign institutions

Corporate financing – debt: In the case of corporate bonds, the size of the investment is calculated using the nominal unless this approach is not suitable for the financial instrument concerned, as for example with zero bonds. In this case the market value is used. An estimation methodology is used to determine the GHG intensity in the case of corporate finance for which no datapoints are currently available. Either the prior-year data or an approximation based on the sector and the region in which the undertaking is located are used. The average intensity for the sector in the region is assigned to the undertaking. If the data population is too small, a global estimator for the relevant sector is used. In addition, all estimators are adjusted to remove upward and downward outliers.

Corporate financing – equity: In the case of equities, the size of the investment is calculated from the fair value. Any missing datapoints for an undertaking's EVIC GHG intensity are approximated using the method described for corporate financing – debt.

Financing of real assets: The Talanx Group uses the GHG accounting methodology described in detail in PCAF Part A. In addition, a distinction is made in relation to these assets depending on whether they are consolidated or not. Consolidated investments are reported as Scope 1 and 2 emissions for Talanx and are not considered to be financed emissions.

Sovereign debt: The size of investments in bonds from sovereign issuers is calculated as for corporate bonds using the nominal, unless this approach is not suitable for the financial instrument concerned, as for example with zero bonds. In this case the market value is used. In the absence of specific PCAF guidance for carbon accounting in the case of subsovereign issuers not including near-public entities, the methodology used for corporate bonds is adapted for these asset classes.

In 2024, the total volume of financed GHG emissions was 42.4 million tCO_2e with a PCAF quality score of 3.2. The degree of coverage for the financed GHG emissions was 87.3%. If the consolidated real assets were also to be reported as financed emissions, total emissions would increase by 56,570 tCO_2e. A large majority of total emissions result from the Scope 3 emissions produced by investees. The methodology used leads to many instances of double counting in the portfolio. In addition, the more direct Scope 1 and 2 emissions are strongly driven by investments in sovereign debt.[1] If the GHG emissions/reductions from land use, land-use change and forestry are included for sovereign debt, the financed emissions amount to 41.7 million tCO_2e. [E1-6 AR 39 b, AR 46 g, h]

The Talanx Group takes the view that, as a sector-specific topic, insurance-associated emissions cannot be a sector-agnostic reporting requirement and that they are also not a reportable GHG Protocol metric. Consequently, insurance-associated emissions are not covered by the disclosure obligation set out in ESRS 1-6 44. However, the Talanx Group has to include insurance-associated emissions in its reporting as entity-specific disclosures, in line with the results of the materiality assessment, even though the influence that it has on the decisions customers make about GHG emissions is generally extremely limited. The Group has exercised the phase-in option for this and has not reported any figures in its 2024 sustainability report. Nevertheless, it is working on the calculation methodology and on improving general data availability. The non-reporting of this issue does not indicate that it has been given a low priority; rather, the decision is largely due to the insufficient data that are currently available on the market. Additionally, although the calculation standard used (the PCAF approach) offers a means of calculating insurance-associated emissions, it does not permit any distinction to be made between different portfolio policies in the Corporate & Specialty segment. Market data providers are working to improve their data, while the Talanx Group is attempting at the same time to enhance its internal data. For example, it is examining how to capture mileage data for individual vehicles and include these adequately in its systems with a reasonable amount of effort. Moreover, in the Motor area it aims to divide the vehicle fleet business and the retail business into two separate lines of business where this is not already the case. For the lines of business that fall within the PCAF standard's "commercial lines" category, the Talanx Group is working to improve its customer emissions and revenue data. In addition to improving the data that is available internally, the Talanx Group is preparing to systematically include externally sourced data that can be used to estimate its insurance-associated emissions. [E1-6 AR 39 b, AR 46 g, h]

The Talanx Group recognises that efforts to reduce GHG emissions are an ongoing process. They require care, commitment and the readiness to engage in continuous improvement in order to kept abreast of best practice and the state of the art. The Talanx Group is maintaining its commitment to the environment and its stakeholders by measuring and reducing its emissions and continuously improving the methodologies and processes used. This endeavour will continue to be at the heart of its Group-wide sustainability strategy in coming years.

[1] In the case of sovereign debt, only the financed Scope 1 emissions not including land use, land-use change and forestry are reported.

2.2.10 GHG removals and GHG mitigation projects financed using GHG credits

One key environmental goal that Talanx's Primary Insurance Group has set itself is maintaining its commitment to GHG neutrality (including offsetting remaining emissions) in Germany.[1] In 2024, Scope 1, Scope 2 and the reported Scope 3.1.–3.14. GHG emissions by the German units in Talanx's Primary Insurance Group were again offset by purchasing and retiring carbon credits; the amount concerned was 19,335 tCO_2e.[2] 5.7% of the offsets were performed directly by an IT infrastructure supplier. [E1-7 56 b]

The Talanx Group offsets the greenhouse gases it emits using greenhouse gas mitigation and avoidance credits outside the Group's own value chain. [E1-7 AR 57 a]

All the GHG credits purchased come from a nature-based project for reforesting and revegetating agricultural land in Paraguay, which is being run in cooperation with local cattle breeders. At more than 4,400 hectares, this is one of the first large privately funded reforestation projects in the South American country, and has been certified as complying with the global Verified Carbon Standard since 2022. The greenhouse gas mitigation credits originate from biogenic sinks and meet the requirements set out in Article 6 of the 2015 Paris Agreement. The Talanx Group has been partnering with the project as a provider of both equity and debt finance since 2021. Once again, purchased credits were used for offsetting for the reporting year, and were retired. All of the greenhouse gas mitigation credits that were not purchased but rather provided by an IT supplier originate from a technical project located outside the EU that is run under the United Nations Framework Convention on Climate Change (UNFCCC) initiative, and therefore also comply with the Paris Agreement on climate change. The Hannover Re Group offsets its emissions independently using different projects. [E1-7 58 b, 61 c, AR 57 b, c, AR 62 b]

The project for reforesting and revegetating agricultural land in Paraguay has a low environmental risk, since it promotes sustainable agriculture and avoids deforestation. It works with landowners in whose areas of responsibility deforestation is uncommon or even illegal. Consequently, leakage emissions are extremely small and are considered to be zero. Nevertheless, risk monitoring is ensured over the entire term of the project. [E1-7 AR 57 d]

Offsetting will remain a core element of efforts to ensure sustainable, responsible corporate management in coming years. The Talanx Group understands the need to reduce GHG emissions and aims to play its part in this. Offsetting GHG emissions plays a major role here. The aim is to promote new trends and innovations in the decarbonisation sector, but also to weigh these from a risk perspective in our business activities. [E1-7 AR 58 c, AR 63 b]

The Talanx Group's current targets for reducing Scope 1 and Scope 2 emissions in Germany do not include the use of GHG credits. Consequently, the availability and price of GHG credits do not influence the implementation of the targets. GHG credits will serve to offset the Group's remaining emissions, and hence ensure Group-wide GHG neutrality in own operations, from 2030 onwards. The Talanx Group's ambition of achieving net zero emissions by 2050 is also defined as including offsetting of remaining and unavoidable emissions. [E1-7 60, 61 a, b, AR 61]

The following information applies solely to the Hannover Re Group:
The Hannover Re Group sourced 6,000 tCO_2e of carbon credits outside its value chain in the reporting year. [E1-7 56 b, 59 a] These are based on contractual agreements and will be cancelled in full in the following year. No additional credits whose cancellation is planned were purchased. [E1-7 59 b] The purchased carbon credits meet at least one of the following quality standards: the Verified Carbon Standard (VCS) or the Gold Standard. These carbon credits are used separately from the emissions and emission reduction targets.

They serve to voluntarily offset 100% of the emissions resulting from business travel by air. A variety of quality criteria were defined for the selection of the projects. These include ensuring permanent emissions reductions in the projects and selecting projects that have other social and environmental benefits above and beyond reducing emissions. [E1-7 AR 61] The purchased carbon credits from removal projects originate from biogenic sinks. [E1-7 AR 62 b]

The Hannover Re Group does not perform GHG removals and storage as part of projects which it has developed in its own operations, or to which it has contributed in its upstream and downstream value chain. [E1-7 56 a]

[1] As a matter of principle, own operations do not include the consolidated real estate and infrastructure investments that are held solely for investment purposes.
[2] The retirement relates to own operations and not to the consolidated real estate and infrastructure investments for investment purposes only.

2.2.11 Internal carbon pricing

The Talanx Group does not have an internal GHG price at present. [E1-8 62, 63 a, b, c, AR 65]

2.2.12 Environmental matters in risk management

The Talanx Group does justice to the particular importance of climate change by comprehensively analysing its business model's exposure and resilience to potential risks related to climate change. The analyses address both differences regarding physical and transition risks and differences regarding assets and business activities. Different approaches are designed to ensure proper risk identification and assessment.[1] [ESRS 2 SBM-3 19 a]

Climate-related investment risks can negatively impact the Group's financial position, financial performance and cash flows. However, they are not a separate risk type; rather, their effect can be represented indirectly via the established risk types (and particularly credit and counterparty risk, market risk, liquidity risk and operational risk). One key point when examining climate-related physical and transition risks in the investment portfolio is the distinction between financial investments (such as bonds or shares) and real assets (such as real estate and infrastructure investments). In the case of real assets, climate-related risks can be assessed by examining the exposure of the geographical location affected by climate change-related natural hazards. In the case of financial investments, a variety of different approaches such as transition ratings from established data providers or climate change stress tests can be used. The Talanx Group is continuously improving the methodologies and processes used to properly identify, assess, manage, monitor and report on climate-related physical and transition risks in its investments.

Climate-related physical risks in underwriting result from the potential financial impacts of climate-related events on the insurance business. These are caused by natural hazards such as storms, floods, droughts or forest fires, the frequency and/or intensity of which will be exacerbated by climate change. Natural hazard events can lead to steep increases in claims for damages and can pose a danger to insurers' financial stability. The examination of climate-related physical risks in the Talanx Group's underwriting activities has been successively expanded since 2020, starting with the assessment of the most important peril region (tropical cyclones in the USA) and now also encompassing other peril regions that are exhibiting potential changes due to climate change. At a methodological level, climate-related scenario analyses are used. The peril regions identified are those that contribute materially to the Talanx Group's natural catastrophe risk and that may potentially be affected by climate change. Physical risks are determined for these peril regions, and serve in turn as the basis for quantitative stress tests and climate-related risk premiums when pricing (re)insurance contracts. [ESRS 2 SBM-3 19 b]

The climate-related scenario analysis considers short, medium and long term time horizons. The short-term time horizon covers a period of up to five years, the medium-term time horizon ranges from six to 15 years and the long-term time horizon ranges from 16 to 30 years. [ESRS 2 SBM-3 AR 7 b] The time horizons considered deviate from the ESRS 1 definition since they are based on the requirements for climate change risk analysis contained in the BaFin Guidance Notice on Solvency 2 reporting that was published on 26 September 2022; they do not necessarily reflect the Group's strategic planning cycles (including capital budgeting) or the expected investment holding period. However, the short-term time horizon also corresponds to the planning horizon that is currently considered as part of multi-year business planning. [BP-2 9 a, b] The short-term time horizon is decisive for business management and the climate-related risk premiums that are applied in underwriting during regular pricing of (re) insurance contracts. All three time horizons are included in the climate change stress test, although this focuses more on the medium- and long-term time horizon due to the fact that the impacts are expected to be greater in the distant future.

Material climate-related hazards in Talanx Group's underwriting activities are determined by analysing the tail of the natural catastrophe forecast distribution, starting with a tail value at risk (TVaR) of 99%.[2] The identified peril regions are examined separately on the basis of the meteorological changes, e.g. the increase in temperature. The focus here is on how different physical parameters for a certain hazard in a certain region of the world will behave in future. Depending on the hazard investigated, e.g. tropical cyclones, floods, or heavy thunderstorms, these parameters can be the frequency of events, precipitation intensity or the average event duration. The expected changes in the likelihood, magnitude and duration of events are derived from these parameters so as to ensure that a uniform assessment approach is adopted for all hazards.

[1] The assessment approaches selected do not include the upstream value chain or the resulting potential climate-related physical risks and transition risks. [ESRS 2 SBM-3 AR6]

[2] The TVaR describes the average loss of the worst 1% of losses realised over the coming year. It is assumed that earthquake risk will not be affected by climate change.

ASSESSMENT OF CLIMATE-RELATED PHYSICAL HAZARDS

Climate-related hazards	Regions	Short-term (0–5 years)			Medium-term (6–15 years)			Long-term (16–30 years)		
		Likelihood	Magnitude	Event duration	Likelihood	Magnitude	Event duration	Likelihood	Magnitude	Event duration
Tropical cyclone	North Atlantic (especially USA and Caribbean)	Slight increase	Slight increase	Less relevant	Increase	Increase	Less relevant	Increase	Strong increase	Less relevant
	Northwest Pacific (especially Japan)	Less relevant	Slight increase	Less relevant	Slight increase	Slight increase	Less relevant	Slight increase	Increase	Less relevant
Floods	Central Europe	Slight increase	Slight increase	Slight increase	Slight increase	Increase	Increase	Increase	Strong increase	Increase
Heavy thunderstorms (hail, tornadoes, etc.)	USA	Slight increase	Slight increase	Less relevant	Slight increase	Increase	Less relevant	Increase	Increase	Less relevant

This assessment uses the status of the climate system as the starting point for its baseline year of 2024; in other words, it already contains the influence of anthropogenic climate change from the pre-industrial period up to and including 2024. Consequently, the assessment in the table entitled "Assessment of climate-related physical hazards" relates to climate change impacts that are to be expected beyond 2024. The short-term impacts of climate-related physical hazards are already incorporated in the business processes, e.g. in the form of surcharges.

The natural catastrophe models are used to calculate the anticipated consequences of climate change – which are represented using climate scenarios – for those insured locations that are exposed to increased risk. Existing reinsurance protection is factored in to this. The main outcomes are adapted forecast distributions for each peril region examined. Comparisons with the original forecast distributions that do not contain future climate change impacts provide estimates of the quantitative impacts.

The Talanx Group considers two different climate scenarios, based on current scientific insights from renowned research institutions and initiatives such as the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS). These include climate scenario featuring low emissions and a climate scenario featuring high emissions. The first scenario is associated with a 2°C temperature increase by 2050 and corresponds roughly to the IPCC's Representative Concentration Pathway (RCP) 4.5; it also covers the assumed increase in temperatures in the IPCC's Shared Socioeconomic Pathway (SSP) 1-2.6. The second scenario assumes a 4°C temperature increase by 2050; this is significantly more extreme than RCP 8.5 and also goes beyond the temperature increase assumed by the IPCC in its worst-case scenario, SSP 5-8.5. Both scenarios are based on an internally developed climate-related approach to assessing natural catastrophe risks. They are merely aligned with the IPCC requirements rather than corresponding to them in every detail.[1] Among other things, additional granular assumptions are required (e.g. on changes in the frequency and severity of natural catastrophes and on the impact that climate change will have on individual sectors). It should be noted that the scenario for a 4°C increase in global warming by 2050 is physically extremely unlikely and hence represents an extreme case. The IPCC's climate change scenarios show warming of between roughly 1.5°C and 3°C compared to pre-industrial levels in the period up to 2050. The use of these two scenarios – the 2°C scenario with comparatively high transition risks and the 4°C scenario with comparatively large physical risks – provides for the broadest possible range of potential future developments.

The 2024 ORSA calculated stress tests on the basis of the data from financial year 2023. [ESRS 2 SBM-3 19 b] These clearly show the physical risk, particularly when comparing the 4°C scenario with the 2°C scenario: the first scenario assumes that no further initiatives are taken worldwide to limit GHG emissions and that this results in a significant increase in natural hazards. (For example, both the frequency of tropical cyclones over the North Atlantic and the number of events that are particularly severe are markedly increased, whereas in the case of floods both a significant increase in frequency and an average increase in duration are assumed.) The more pronounced physical risks in the 4°C scenario can also ultimately be seen when looking at the natural hazard risk in the Group's internal model, which results in a comparatively more pronounced decline in the solvency ratio. [ESRS 2 SBM-3 19 c]

With reference to the process of capturing and assessing climate-related physical risks, it can be noted that both the scenarios and the stress test results are associated with substantial uncertainties and hence must not be interpreted regardless of their limitations. Firstly, the long-term effects of climate change in particular can only be seen to a limited extent at present, and must be supplemented by addi-

[1] In addition, the climate scenarios used do not necessarily agree with the climate-related assumptions made in the financial statements, since assessment of the technical provisions requires a best-estimate approach to be taken. By contrast, the climate scenarios do not adopt a best-estimate perspective. [ESRS 2 IRO-1 AR 15]

tional assumptions. For example, the climate scenarios considered use the most recent NGFS inputs for macroeconomic variables; however, these only lead to extremely minor capital market shocks and actually assume a recovery in global growth in the long term. On the other hand, the scenario analyses do not show insurance undertakings' opportunities to react. Depending on their liquidity, investments can be traded on a daily basis. Non-life insurance contracts normally have annual termination rights, allowing for short-term adaptation mechanisms. [ESRS 2 SBM-3 AR 8 a]

When modelling natural hazard risks, the Talanx Group makes either fine-scaled or regional adaptations to its models depending on the peril region concerned, but also uses simplified approaches in some cases. Use of the models poses a number of challenges. For example, certain hazard characteristics have conflicting impacts (e.g. an expected increase in the intensity but a potential decrease in the overall frequency of tropical cyclones) and there is no statistically significant proof of changes, or scientific consensus on the impacts, for many peril regions. What is more, it is not always possible to identify unambiguously in the models the extent to which climate change has already been taken into account, since the models are produced using historical data.

The processes for dealing with climate-related transition risks differ at Talanx's Primary Insurance Group and the Hannover Re Group. The Hannover Re Group analyses the extent to which transition events will have an impact using scientific studies such as those published by the IPCC, and through its involvement in internal and external working groups. Climate-related transition risks in underwriting are mainly considered in the form of liability risks. These can arise if companies are made financially responsible for the consequences of climate change and potential fines are included in their insurance policies. Hannover Re Group uses scenarios to regularly monitor its exposure to liability risks in the case of unsustainable business practices. Potential liability risks are largely assessed using a high-impact climate change scenario (based on RCP 8.5), with the further assumption being made that changes in legislation make it possible to hold those responsible for ongoing climate change liable for it.

The Talanx Primary Insurance Group uses a qualitative approach to capturing and assessing climate-related transition risks in underwriting and in its own operations, using expert workshops that focus on selected transition events. For financial year 2024, these transition events were selected on the basis of the Task Force on Climate-related Financial Disclosures (TCFD) classification in accordance with two principles.[1] [ESRS 2 SBM-3 19 b]

(1) Inclusion of at least one transition event per category (policy/legal, technology, market, reputation) and

(2) Selection of events within each category that appear to be the most relevant for the insurance sector and the Talanx Group's business model.

This resulted in the following list of issues examined:

- increased pricing of GHG emissions
- exposure to litigation
- transition to lower emissions technology and
- changing customer behaviour/shifts in consumer preferences

Experts from the Talanx Primary Insurance Group were interviewed about each selected climate-related transition event using a structured questionnaire. This focused on risks that could be incurred by the Talanx Primary Insurance Group in the short, medium and long term in a future corresponding to the NGFS "delayed transition" scenario narrative, and on existing and planned mitigation actions. In line with this, discussions were based on a delayed transition scenario that provides for limiting global warming to less than 2°C. The assumption was that no new political measures are introduced in the period up to 2030 (the short-term period examined), i.e. current policies are continued, and that consequently annual emissions do not fall in the period up to 2030. However, a regime change then takes place after 2030 (the start of the medium-term period examined) and political actions increase abruptly in order to restrict warming to less than 2°C. The short-, medium- and/or long-term risks determined on this basis, and the existing and planned mitigation actions were included in the final analysis of the transition events. This was performed from the perspective of their likelihood (what is the likelihood – low, medium or high – of the Talanx Primary Insurance Group being affected), magnitude (what is the monetary impact – low, medium or high – for the Talanx Primary Insurance Group) and duration (is this a temporary phenomenon or a permanent development). [ESRS 2 SBM-3 AR 7 b]

[1] See ESRS E1-1 12 a.

Increased pricing of GHG emissions: Rising carbon prices are considered to be a permanent trend in the short-, medium- and long-term time horizons.

ASSESSMENT OF THE "INCREASED PRICING OF GHG EMISSIONS" TRANSITION EVENT

	Likelihood	Magnitude	Duration
Short-term (0–5 years)	Low	Low	Permanent
Medium-term (6–15 years)	Medium	Low	Permanent
Long-term (16–30 years)	High	Low	Permanent

For the Talanx Primary Insurance Group's underwriting activities, a sustained rise in the carbon price could mean in principle that certain groups of commercial customers would disappear from the market or would suffer a severe financial impact due to the fact that their business model is no longer viable; this would mean that the customers or customer groups concerned would no longer request insurance cover. The Corporate & Specialty Division, which is a major industrial insurer, could be particularly impacted by this. To this extent, it would be possible in principle for premiums to decline, and for this to have a knock-on effect on Group revenue. However, this is not considered to be a material risk, since no significant change in carbon prices is expected in the short term.[1] Although carbon prices are likely to rise substantially in the medium to long term, especially in the EU, this factor is unlikely to be the decisive reason for business models to disappear. Instead, any such effect would be influenced by a large number of additional factors such as public pressure due to changes in consumer behaviour. Equally, no significant increase in effect is to be expected in the medium to long term, since any decrease in premiums caused by customers disappearing would be a gradual process, and Talanx – which is a diversified, global insurance group – could offset it over time. [ESRS 2 SBM-3 19 c]

Exposure to litigation: We consider that the Talanx Primary Insurance Group will see greater exposure to climate change-related litigation when approaching the medium term, i.e. during the transition to a more climate-friendly world.

ASSESSMENT OF THE "EXPOSURE TO LITIGATION" TRANSITION EVENT

	Likelihood	Magnitude	Duration
Short-term (0–5 years)	Low	Medium	Permanent
Medium-term (6–15 years)	Medium	Medium	Permanent
Long-term (16–30 years)	Medium	Medium	Permanent

In general, a distinction can be made between three different situations:

(1) Situations in which legal action is taken against the Talanx Group or companies belonging to the Group in which the plaintiffs allege that the Group has not complied with existing ESG regulations.

(2) Contractual relationships with customers could result in the Talanx Group having to pay customers' defence costs and/or claims for damages if legal action is brought against customers for failure to comply with existing ESG regulations. This typically affects the various different facets of third-party liability insurance.

(3) Property insurance contracts could lead to the Talanx Group being exposed to claims by customers to replace insured items following natural catastrophes, even if the policy concerned does not provide for natural catastrophe cover.

In general, it can be expected that non-life lines of business will be particularly affected. However, in future, it is also conceivable that life insurance could be affected if impairments to customer health were to lead to claims under existing occupation/disability insurance or life insurance.

At present, the potential risk is not considered to be material. To date, no climate change related court cases with a reasonable chance of success have been brought against companies belonging to the Talanx Primary Insurance Group or its customers. However, it is expected that the potential risk for the Talanx Primary Insurance Group in this area could increase in the medium to long term. This is based among other things on the fact that the effects of climate change have more of a long-term impact, and on the assumption that the legal framework will become stricter over the medium term under the assumed climate scenario. Another consequence to be expected is that greater volumes of more complex ESG regulations will inevitably lead to an increase in climate-related litigation. The fact that a wealth of new legislative initiatives is anticipated, and that there is a risk that the new regulations will be unclear or difficult for economic entities to implement, mean that climate change-related litigation is likely to have a greater chance of success and that the potential risk will therefore increase. [ESRS 2 SBM-3 19 c]

[1] At present, carbon pricing largely affects companies in the high impact sector that have to purchase certificates on Europe's obligatory carbon market. It is impossible at present to foresee when large-scale carbon pricing will be introduced at an international level.

Transition to lower emissions technology: The transition to lower emissions technology primarily plays a role for the Talanx Primary Insurance Group in the short term, but it also affects the medium term.

ASSESSMENT OF THE "TRANSITION TO LOWER EMISSIONS TECHNOLOGY" TRANSITION EVENT

	Likelihood	Magnitude	Duration
Short-term (0–5 years)	High	Medium	Permanent
Medium-term (6–15 years)	High	Medium	Temporary
Long-term (16–30 years)	Low	Low	Temporary

When using properties in Germany, the Group already pays attention to the thermal insulation concepts that exist and also includes energy efficiency measures in its criteria when entering into new leases, so as to achieve its carbon emissions reduction target for its own operations. The headquarter offices at the Talanx Primary Insurance Group's European locations in Poland and Italy, and its Latin American locations in Brazil, Mexico and Chile, are generally powered by electricity generated from renewables as well as from conventional sources.[1] Since most office space is leased, risks could arise from higher rental costs, especially where more modern buildings are used. These risks are not material for the Talanx Primary Insurance Group, since its office capacity has already been reduced due to the introduction of remote working options. In the medium term, potential risks are considered to exist due to the limited opportunities to influence the energy mix for leased buildings.

As regards the vehicle fleet, switching to hybrid and electric vehicles depends to a large extent on the development of the charging infrastructure and the energy mix available in the various countries concerned. Combustion engine vehicles still account for a large share of the fleet and/or the e-charging infrastructure is relatively underdeveloped at present in Germany, Poland, Türkiye, Brazil and Mexico, for example. This means that a large-scale switch to more environmentally friendly propulsion technologies in these countries is only likely to happen in the medium term. In Italy, by contrast, the goal is to replace conventionally powered company cars by hybrid/electric vehicles in the short term. The risks related to a switch in the vehicle fleet are considered to be low, since it can be expected that any statutory requirements for this can be met as they occur.

Since the Talanx Primary Insurance Group is likely to take most actions associated with switching to lower-emissions technologies for its buildings and vehicle fleet in the short and medium term, this transition event is considered to be relatively unimportant in the long term, both as regards its likelihood and as regards its magnitude. [ESRS 2 SBM-3 19 c]

Changing consumer behaviour/shifts in consumer preferences: Changing customer behaviour is seen as a material topic and transition risk for the Talanx Group's Primary Insurance business across the entire observation period, and it is expected that this will increase over the long term.

ASSESSMENT OF THE "CHANGING CONSUMER BEHAVIOUR/SHIFTS IN CONSUMER PREFERENCES" TRANSITION EVENT

	Likelihood	Magnitude	Duration
Short-term (0–5 years)	Medium	Medium	Permanent
Medium-term (6–15 years)	Medium	Medium	Permanent
Long-term (16–30 years)	Medium	High	Permanent

Changing customer needs and changes in the regulatory and legal framework will also entail changes to product design; to date, this mainly affects the Talanx Group's primary insurance property/casualty business. In line with this, the Corporate & Specialty and Retail International divisions consider the need to transition to be a more important factor than Retail Germany does. The range of pension scheme products in the Retail Germany Division has included unit-linked life insurance products with sustainable funds for several years (classification in accordance with Article 8 or Article 9 of the Sustainable Finance Disclosure Regulation (SFDR)). However, the Retail International Division is also increasingly offering unit-linked life insurance products with sustainable funds via its Italian subsidiary.

Going forward, the Retail International Division in particular expects that the non-life area will see growing demand for property insurance including natural catastrophe cover, and that this may even be required by law. With respect to motor insurance, the e-mobility product range will have to be expanded to continue to meet customer needs. In addition, the substitution of alternative means of transport will probably be seen in connection with any insurance solutions.

The Talanx Group's primary insurance business considers the risks associated with changing customer needs to be both many-faceted and important. The Corporate & Specialty Division primarily sees itself exposed to reputational risks in the short-term. These could result from diverging customer expectations in some cases – especially industrial enterprises in energy-intensive sectors – regarding the division's role in supporting their transformation, and from the public. To combat this, Underwriting already uses exclusions and restrictions: for example, thermal coal risks are no longer insured under new policies.

[1] The statements on the foreign locations made in this section relate to the retail business.

Reputational risks can lead in principle to forgone revenue. On the other hand, providing insurance for forward-looking products opens up new sales potential, while offering new services also opens up new opportunities.[1] However, this leads to short- and medium-term calculation risks for premiums and liability risks in relation to the quality of the items insured, since there is no experience with sustainable products and manufacturing processes yet, and hence no associated datapoints exist. Actions such as including uncertainty surcharges in the insurance premium, capping insured amounts, exclusions, adjustments to insurance models and reinsurance protection will play a very important role in mitigating these risks for the Primary Insurance Group, especially in the medium to long term.

In the Retail Germany Division, there is a risk that brokers will act more cautiously when selling sustainable products in order to avoid potential advisory liability and that they may prefer to advise on conventional products. Potential greenwashing risk is being guarded against both in product design (by carefully selecting fund partners) and in product marketing (by performing extensive legal reviews). [ESRS 2 SBM-3 19 c]

Regarding the process used to capture and assess climate-related transition risks, it should be noted that the scope of the examination in the past reporting year focused on the Talanx Group's Primary Insurance Group's major markets.[2] The goal is to examine additional markets and to involve additional specialist experts in the future so as to ensure comprehensive evaluation. In addition, the thematic scope of the examination is to be expanded in the future to include the TCFD's "increased cost of raw materials" transition event, since this could be relevant to the Talanx Primary Insurance Group in relation to loss adjustment (e.g. in motor business). When interpreting the results, it should be noted that the probable financial impacts (i.e. the magnitude) of the climate-related transition risks that have been identified (and of the individual transition events concerned) are based on purely qualitative expert estimates. [ESRS 2 SBM-3 AR 8 a] The inability to quantify the risks at present made it more difficult to distinguish between gross and net risks in the workshops. Quantification methodologies are being examined and will be gradually integrated as part of the continuous improvement process. [ESRS 2 SBM-3 AR 7 c]

The following table summarises the material climate-related risks for the Talanx Group, broken down into physical and transition risks. [ESRS 2 SBM-3 18]

MATERIAL CLIMATE-RELATED RISKS FOR THE TALANX GROUP

Climate-related physical risks	Climate-related transition risks[1]
■ The prospect of **higher claims expenses due to natural catastrophes**, especially tropical cyclones over the North Atlantic and floods in Central Europe	■ **Calculation and liability risks** relating to insurance for sustainable products and manufacturing processes due to the current lack of empirical data
■ **Risk of impairment to investments** (especially in the case of real assets) in regions severely affected by climate change, with knock-on effects for the Group's balance sheet and statement of income (e.g. need for write-downs, credit defaults)	■ **Financial risks** if natural catastrophe cover becomes mandatory when writing property insurance
■ **The insurability** of items in the Property Insurance and Technical Insurance lines of Property/Casualty insurance will be **called into question in the future**, especially in regions particularly affected by climate change.	■ **Reputational risks and associated loss of revenue** resulting from the trade-off between acting as a transformation partner to support industrial customers and the anticipated expectations of retail customers that the Talanx Group will position itself as a sustainable insurance group and develop in this direction

[1] The material climate-related transition risks relate to the Talanx Primary Insurance Group.

In the context of the qualitative and quantitative analyses of the material climate-related risks explained above, no concrete potential risks are ascertainable that existentially endanger the Talanx Group's financial position, financial performance and cash flows. The climate change stress test revealed that the Talanx Group has comfortable capitalisation ratios across all the time horizons examined. This means that the Group has a robust risk-bearing capacity.[3]

[1] For example, HDI Risk Consulting GmbH offers its customers consulting solutions on preventive measures and comprehensive location-based climate risk analyses.
[2] The following markets were covered In 2024: Germany, Poland, Italy, Turkey, Brazil, Mexico and Chile.
[3] However, it should be noted that the results of stress tests are associated with substantial uncertainties and cannot be interpreted regardless of their limitations.

2.3 Environmental indicators

TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION (E1–4 30, 34 A-D)

tCO_2eq	Base year 2019	2025 target	2030 target	Up to 2050 target	Target from 2050
Scope 3.15 – financed emissions – liquid portfolio					
GHG emission intensity, absolute	96.9		43.6		
GHG emission intensity, relative	100%		45.0%		
Scope 1 & 2 market-based – own operations in Germany					
GHG emissions, absolute	9,765	7,324			
GHG emissions, relative	100%	75%	GHG neutr. [2]		

[1] Targets within the company's own operations do not include the consolidated real estate and infrastructure investments that are held solely for investment purposes.
[2] GHG neutrality incl. offsetting of remaining emissions.

The table shows the Talanx Group's targets for its investment activities and own operations. The targets set are relative. Thus the target for asset management is to reduce the GHG intensity by 2030 to a maximum of 45% of the intensity reported for the 2019 base year. The Talanx Group also expresses the targets in absolute figures to enhance transparency. These absolute figures are snapshots as at the reporting date that vary depending on the denominator (in this case the EVIC). Consequently, target achievement depends solely on reaching the GHG intensity and not on reaching the absolute target figure. As a matter of principle, own operations targets do not relate to the consolidated real estate and infrastructure investments for investment purposes only. For a greater understanding of the data quality and methodology, see section 2.2.8 "Targets related to climate change mitigation and adaptation". [MDR-M 75, 77]

ENERGY CONSUMPTION AND MIX, OWN OPERATIONS AND REAL ESTATE AND INFRASTRUCTURE (E1–5 35, 37, 38)

		Unit	2024 Total	of which own operations	of which associated non-consolidated undertakings	of which consolidated real estate and infrastructure for investment purposes only
(1)	Fuel consumption from coal and coal products	MWh	–	–	–	–
(2)	Fuel consumption from crude oil and petroleum products	MWh	33,962	32,402	222	1,338
(3)	Fuel consumption from natural gas	MWh	21,288	7,057	55	14,176
(4)	Fuel consumption from other fossil sources	MWh	–	–	–	–
(5)	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	129,785	21,858	166	107,761
(6)	**Total fossil energy consumption (calculated as the sum of lines 1 to 5)**	**MWh**	**185,035**	**61,317**	**443**	**123,274**
	Share of fossil sources in total energy consumption	%	60.4%	60.4%	56.4%	60.4%
(7)	**Consumption from nuclear sources**	**MWh**	**251**	**250**	**2**	**–**
	Share of fossil sources in total energy consumption	%	0.1%	0.2%	0.2%	–
(8)	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	2,052	2,039	13	–
(9)	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	110,263	29,030	270	80,963
(10)	Consumption of self-generated non-fuel renewable energy	MWh	1,524	1,513	10	–
(11)	**Total renewable energy consumption (calculated as the sum of lines 8 to 10)**	**MWh**	**113,839**	**32,583**	**293**	**80,963**
	Share of renewable sources in total energy consumption	%	37.1%	32.1%	37.4%	39.6%
(12)	**Unattributable energy consumption**	**MWh**	**7,334**	**7,287**	**47**	**–**
	Share of unattributable energy consumption	%	2.4%	7.2%	6.0%	–
	Total energy consumption (calculated as the sum of lines 6, 7, 11, 12)	**MWh**	**306,458**	**101,437**	**785**	**204,237**

Own energy production not consumed by the undertaking	Unit	2024			
Total own non-renewable energy production	**MWh**	**–**	**–**	**–**	**–**
Total own renewable energy production	**MWh**	**674,599**	**24**	**–**	**674,575**
Own renewable energy production via photovoltaic	MWh	24	24	–	–
Own renewable energy production from other sources	MWh	–	–	–	674,575

The "Energy consumption and mix" table contains the consumption data for own operations, associated non-consolidated undertakings, and consolidated real estate and infrastructure investments for investment purposes only. Within own operations, the consumption figures for the consolidated and the non-consolidated but associated, i.e. operationally controlled, business units are disclosed separately. The petrol and diesel consumption figures disclosed in own operations are generally derived from real data for January to October 2024, and from extrapolations based on the previous months or the previous year for the remaining months. The consumption figures for gas, electricity, district heating and district cooling are also partly based on available real data from suppliers (e.g. for the first three quarters of 2024) and on extrapolations (extrapolations for the fourth quarter based on the previous year). In some cases, complete prior-year data sets are used and extrapolations and estimates made on the basis of the changes in office space for 2024. Especially where there were considerable changes in space, a conservative approach was taken for estimates based on prior-year figures, so as to account for potential higher consumption per unit of space for the space that is still in use. Electricity consumption from nuclear energy sources is taken from the electricity mix reported by the utility company. Self-generated electricity from renewable energy is extrapolated on the basis of the previous year with the help of the change in the utility's feed-in tariff or the changes in space for 2024. When breaking down the total consumption, the Talanx Group reports the share of energy that cannot be assigned unambiguously to fossil, renewable or nuclear sources under "(12) unattributable energy consumption". Emissions by associated non-consolidated undertakings were extrapolated from the GHG intensity for own operations using the number of employees. In many cases, the Talanx Group does not itself operate the consolidated real estate and infrastructure investments for investment purposes only. The consolidated infrastructure investments only comprise wind farms, whose own energy consumption is sourced exclusively from renewable energy and the data for which are collected by the utility concerned. For self-managed properties, Talanx collects the data itself, with both real data from suppliers and extrapolations made on this basis being used. The data for externally managed real estate are supplied by the fund managers. The Group does not have direct access to information on concrete consumption in the case of externally managed real estate, on the amounts involved and on the associated emissions from primary sources. Consolidated real estate for investment purposes only mainly comprises commercial real estate such as logistics centres and supermarkets that is operated by the tenants concerned. The Talanx Group is not generally the utilities' contract partner and is dependent when to calculating the emissions on information from third parties, estimates or extrapolations. Since the Talanx Group normally cannot influence either the consumption or the selection of energy sources or fuels, no direct opportunity for control exists. In addition, since the real estate involved is generally commercial real estate, the emissions are also disclosed by the tenants in their Scope 1 and Scope 2 emissions reporting. The Talanx Group reports the figures for consumption from own operations, associated non-consolidated undertakings and consolidated real estate and infrastructure investments for investment purposes only separately from one another. Only emissions from own operations are offset. Consumption figures are rounded to integers, and percentages to a single decimal place. Rounding differences may occur. [MDR-M 75, 77]

TOTAL GREEN HOUSE GAS (GHG) EMISSIONS OF THE UNDERTAKING, DISAGGREGATED BY SCOPES 1 AND 2 AND SIGNIFICANT SCOPE 3 EMISSIONS (E1–6 44, 48, 49, 51, 52)

		Retrospective		Milestones and target years			
	Unit	Base year 2019	2024	2025	2030	2050	Annual % target/base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions	tCO_2eq		13,090				
of which from own operations	**tCO_2eq**		**9,799**				
of which associated non-consolidated undertakings	tCO_2eq		70				
of which consolidated real estate and infrastructure for investment purposes only	tCO_2eq		3,220				
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	in %		—				
of which from own operation	in %		—				
of which associated non-consolidated undertakings	in %		—				
of which consolidated real estate and infrastructure for investment purposes only	in %		—				
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions	tCO_2eq		70,853				
of which from own operation	**tCO_2eq**		**17,352**				
of which associated non-consolidated undertakings	tCO_2eq		152				
of which consolidated real estate and infrastructure for investment purposes only	tCO_2eq		53,350				
Gross market-based Scope 2 GHG emissions	tCO_2eq		46,137				
of which from own operation	**tCO_2eq**		**7,695**				
of which associated non-consolidated undertakings	tCO_2eq		52				
of which consolidated real estate and infrastructure for investment purposes only	tCO_2eq		38,390				
Significant Scope 3 GHG emissions							
Total Gross indirect (Scope 3) GHG emissions	**tCO_2eq**		**42,486,491**				
Share of primary data used in Scope 3	%		22.5%				
(1) Purchased goods and services	tCO_2eq		2,015				
of which associated non-consolidated undertakings	tCO_2eq		14				
(2) Capital goods	tCO_2eq		14,194				
of which associated non-consolidated undertakings	tCO_2eq		113				
(3) Fuel and energy-related activities (not included in Scope 1 or Scope 2)	tCO_2eq		3,834				
of which associated non-consolidated undertakings	tCO_2eq		27				
(4) Upstream transportation and distribution	tCO_2eq						
(5) Waste generated in operations	tCO_2eq						

TOTAL GREEN HOUSE GAS (GHG) EMISSIONS OF THE UNDERTAKING, DISAGGREGATED BY SCOPES 1 AND 2 AND SIGNIFICANT SCOPE 3 EMISSIONS (E1–6 44, 48, 49, 51, 52)

	Unit	Retrospective		Milestones and target years			
		Base year 2019	2024	2025	2030	2050	Annual % target/base year
(6) Business travelling	tCO_2eq		18,168				
of which associated non-consolidated undertakings	tCO_2eq		180				
(7) Employee commuting	tCO_2eq		18,779				
of which associated non-consolidated undertakings	tCO_2eq		148				
(8) Upstream leased assets	tCO_2eq						
(9) Downstream transportation	tCO_2eq						
(10) Processing of sold products	tCO_2eq						
(11) Use of sold products	tCO_2eq						
(12) End-of-life treatment of sold products	tCO_2eq						
(13) Downstream leased assets	tCO_2eq						
(14) Franchises	tCO_2eq						
(15) Investments	tCO_2eq		42,429,501				
	Data quality score		3.2				
	%		87.3%				
Investments – corporate financing debt (Scope 1&2)	tCO_2eq		2,649,018				
Investments – corporate financing debt (Scope 1&2)	Data quality score		2.4				
Investments – corporate financing debt (Scope 3)	tCO_2eq		24,791,965				
Investments – corporate financing debt (Scope 3)	Data quality score		3.6				
Investments – corporate financing equity (Scope 1&2)	tCO_2eq		175,388				
Investments – corporate financing equity (Scope 1&2)	Data quality score		4.0				
Investments – corporate financing equity (Scope 3)	tCO_2eq		2,387,124				
Investments – corporate financing equity (Scope 3)	Data quality score		4.6				
Investments – real estate (real estate, infrastructure, mortgages) (Scope 1&2)	tCO_2eq		656,387				
Investments – real estate (real estate, infrastructure, mortgages) (Scope 1&2)	Data quality score		2.7				
Investments – sovereign debt (incl. subnationals) (Scope 1&2)	tCO_2eq		11,769,620				
Investments – sovereign debt (incl. subnationals) (Scope 1&2)	Data quality score		2.2				
Total GHG emissions							
Total GHG emissions (location-based)	tCO_2eq		**42,570,433**				
Total GHG emissions (market-based)	tCO_2eq		**42,545,717**				

The table shows the Scope 1 and Scope 2 emissions, plus the Scope 3 emissions broken down by material categories, for the Talanx Group. In the case of the Scope 1 and Scope 2 emissions, the table breaks down the emissions into emissions from own operations and emissions from consolidated real estate and infrastructure investments for investment purposes only, so as to enhance understanding of these emissions. In addition, emissions from own operations and emissions from associated non-consolidated undertakings are disclosed separately for all scopes. Only emissions from own operations are offset. Scope 1 and 2 emissions are calculated using emissions factors from the electricity and energy consumption figures depicted in the "Energy consumption and mix" table. Measurement uncertainties due to extrapolations, etc. also impact the emissions disclosed. All other details on the methodology used to calculate the Scope emissions are set out in section 2.2.9 "Gross Scopes 1, 2, 3 and Total GHG emissions". When calculating the share of primary data for Scope 3 emissions, the Talanx Group defines primary data as fuel volumes, energy consumption and distance data that have been collected or that have been provided by suppliers, or emissions data that have been directly provided by the supplier, and classifies the emissions calculated on this basis as based on primary data. Emissions calculated on a cost basis are not classified as based on primary data, since prices can vary substantially depending on the region and the features of the properties or services concerned. Equally, the Group assumes as a precautionary measure that the data on commuting and remote working, some of which are based on extrapolated survey results, are not primary data. In the case of financed emissions, emissions with a data quality score of 1 are considered to be based on primary data. Scope 3.15. emissions are broken down into individual investment classes so as to enhance understanding of their composition. The coverage ratio is expressed as a percentage of the overall investments for the Talanx Group's own risk. As an insurance undertaking, the Talanx Group is not covered by an emissions trading scheme and therefore discloses a figure of 0% for this metric. Emissions are rounded to integers, and percentages and data quality scores to a single decimal place. Rounding differences may occur. The Talanx Group refers to the table entitled "Targets related to climate change mitigation and adaptation" in this section for all information on base years and targets. [MDR-M 75, 77]

GHG INTENSITY PER NET REVENUE (E1–6 53, 54, 55)

	Unit	2024
Total GHG emissions (location-based) per net revenue	tCO_2eq/ EUR million	1,036
Total GHG emissions (market-based) per net revenue	tCO_2eq/ EUR million	1,035

This table presents location-based and market-based total emissions figures as a share of (net) insurance revenue. (Net) insurance revenue is derived from the following items in the statement of income: the "insurance revenue" item disclosed in the statement of income (line 1) is used as the starting point, and the "expenses from reinsurance contracts held" (line 3a of the statement of income) are then subtracted from it. The difference is the (net) insurance revenue. Measurement uncertainties arise in the same way as for the Company's total GHG emissions. [MDR-M 75, 77]

Since the Talanx Group rents out properties, it is active in the high climate impact sectors of "Real Estate Activities" (NACE Codes Section L) as defined by Regulation (EC) No 1893/2006 of the European Parliament and of the Council. It is not possible to report the energy intensity for activities in high climate impact sectors, since the total energy consumption cannot be matched to corresponding net revenue figures. [E1-5 40, 41, 42, 43]

CARBON CREDITS CANCELLED IN THE REPORTING YEAR AND PLANNED TO BE CANCELLED IN THE FUTURE (E1–7 56 B, 59, AR 62)

Carbon credits cancelled in the reporting year	Unit	2024
Total	tCO_2eq	**25,335**
Share from removal projects	%	74.3%
of which Verified Carbon Standard (VCS)	%	100.0%
Share from reduction projects	%	25.7%
of which Verified Carbon Standard (VCS)	%	41.5%
of which Gold Standard	%	41.5%
of which other quality standards	%	16.9%
Share from projects within the EU	%	–
Share of carbon credits that qualify as corresponding adjustments	%	–
Carbon credits planned to be cancelled in the future	**Unit**	**Until 2027**
Total	tCO_2eq	**38,498**

The underlying data are based in full on primary data from 2024. These are sourced on the one hand from our certification partner, Verra, which managed the retirement of the credits for the offsetting project, and on the other on documentation supplied by our service providers. Based on a purchase contract, future offsetting of a total of 38,498 tCO_2e in the period up to 2027 has been secured. Further details are provided in section 2.2.10 "GHG removals and GHG mitigation projects financed using GHG credits". [MDR-M 75, 77]

3. Social information

The Talanx Group has roughly 31,000 employees and does business in more than 175 countries. This means it has a societal and social responsibility. Consequently, the focus in the following sections is on its own workforce and private retail customers.

3.1 Own workforce (ESRS S1)

Due to the Talanx Group's decentralised organisational structure and the deep roots that the local Group units have in their respective locations, the individual subsidiaries and branches have their own strategies, guidelines, processes and actions. These are aligned with the needs and requirements in the individual countries. As a result, responsibilities are assigned to different people. Talanx AG's Labour Director has primary responsibility for topics relating to Primary Insurance. At the Hannover Re Group, the Chairman of the Board of Management is responsible for these topics. The human resources management function for all companies belonging to Primary Insurance in Germany – referred to in the following as Group People & Culture – has been centralised under the leadership of Talanx AG's Labour Director, who is responsible for all policies applicable there. The most senior level accountable for the implementation of the Hannover Re Group policies is the Managing Director Global Human Resources.

"People management" is one of the focus areas in the Talanx Group's overall strategy. Consequently, the Group's human resources strategy plays a major role in achieving its strategic goals, and integrates all material potential and actual impacts with Group strategy. Professional expertise and close collaboration are essential to the Talanx Group's specialised, customer-oriented areas of activity. In line with this, the Group's human resources work focuses on employee satisfaction and well-being. Core topics are improving working conditions, facilitating participation rights and promoting equal treatment. In addition, decent pay and appropriate continued professional development (CPD) offerings promote a positive working atmosphere and help achieve both personal and corporate goals. Global internal employee surveys are conducted so as to better understand workforce needs. The insights produced are incorporated into the corporate strategy and help ensure its continuous development. [ESRS 2 SBM-3 13 a]

The Talanx Group's business model and human resources strategy recognise how vital a qualified, committed workforce is to the Company's long-term success. Good working conditions enhance employee motivation and the Group's attractiveness as an employer. This also boosts talent recruitment on the labour market. Moreover, good working conditions also positively influence ESG ratings and in turn support product sales. In this way, the Talanx Group can strengthen its competitiveness and innovative strength while avoiding reputational risk. [ESRS 2 SBM-3 13 b] Human resources risks are classed as operational risks and are addressed annually using a workshop. [S1-4 47]

The basic statements made by the Talanx Group apply to all companies throughout the world. In addition, detailed social information on the workforce is collected for the largest companies. Apart from Germany – where roughly one-third of staff are employed – this explicitly comprises those companies employing more than 5% of the total workforce each. In the reporting year, these were all Brazilian companies (HDI Seguros, Santander Auto, HDI Seguros do Brasil, Yelum Seguros, Indiana Seguros, Facil Assist Serviços e Assistência 24 horas and HDI Agrega Serviços), HDI Seguros in Mexico, the WARTA Group companies in Poland and the Hannover Re Group. [ESRS 2 SBM-3 14]

Roughly 90% of the Talanx Group's staff in internal specialist and administrative roles are permanent employees. In addition, employees with limited-term contracts, casual workers and employees undergoing vocational training are deployed. Non-employees such as those sourced from personnel leasing providers in Germany, are primarily used to manage temporary peak workloads. [ESRS 2 SBM-3 14 a]

The Talanx Group specifically addresses individual cases in which applicable standards are not complied with, such as inadequate working conditions or discrimination. Initiatives aimed at improving working conditions and promoting health and satisfaction create an inclusive, supportive working environment. Employee development programmes ensure that employees develop the specific skills they need to be able to meet new requirements. This combats the systemic impact of the lack of training and skills development. [ESRS 2 SBM-3 14 b]

The Talanx Group makes a non-discriminatory environment a key priority so as to ensure employee well-being and motivation. The Group creates good working conditions, provides development opportunities, grants appropriate remuneration and actively promotes employee participation so as to enhance employee satisfaction and engagement for the long term. [ESRS 2 SBM-3 14 c]

In the Group's opinion, a committed workforce and attractive working conditions offer opportunities to strengthen its position as an employer and to promote its corporate success. Good working conditions also improve ESG ratings, positively impact the Group's attractiveness as an employer and hence secure its success in the competition to recruit talent. Equally, challenges such as efficiency losses, reputational risk, ESG ratings downgrades or a decline in the Group's attractiveness as an employer arise if working conditions or the way diversity and inclusion are handled do not meet expectations. This can increase recruitment costs and employee turnover. [ESRS 2 SBM-3 14 d]

There are no material impacts on the Company's employees arising from plans for reducing its impacts on the environment. [ESRS 2 SBM-3 14 e]

No activities representing a significant risk in relation to forced labour or child labour were determined in relation to the Group's own employees. [ESRS 2 SBM-3 14 f, g]

No clearly distinguishable groups within the Talanx Group suffer inappropriate working conditions or discrimination. No insights as to whether employees with particular characteristics might be at greater risk of harm could be developed on the basis of the materiality assessment (see section 1.3.1 "Description of the materiality assessment process and outcomes (IRO-1)"). Working conditions affect all staff equally – and all staff require protection from discrimination, too. Equally, the legislative foundations such as the German General Equal Treatment Act (AGG) aim to prwevent or abolish discrimination based on age, ethnic background, gender and gender identity, physical and mental abilities, religion and world view, sexual orientation and social background. This is a very broad definition that rules out focusing on only certain members of staff. Improvements to working conditions offer opportunities for all employees and address challenges that affect them all alike. [ESRS 2 SBM-3 15, 16]

A variety of processes protect staff from negative impacts. Firstly, the Talanx Group makes human rights observance mandatory in its Human Rights Policy Statement and Code of Conduct, ensuring that standards relating to its own workforce are complied with. Secondly, engaging with workers' representatives and the employee surveys performed help to prevent negative impacts from occurring. [S1-4 41]

To promote and protect its employees and to secure the company's success for the long term, the Talanx Group develops framework conditions worldwide that are adapted to local conditions and supported by targeted actions. The Talanx Group and its individual companies provide the financial and human resources needed to implement these in the form of dedicated budgets. [S1-4 43] The teams charged with implementing the actions ensure their appropriateness. [S1-4 39]

3.1.1 Human rights

Respect for human rights is a core precondition for doing business sustainably. It is also the foundation for the Talanx Group's social positioning. Since the materiality assessment revealed that the own workforce is a material social topic for the Group, the topic of human rights is included in this context in the following.

Human Rights Policy Statement

Respect for human rights is a core obligation for the Talanx Group and a material element of its business activities. By signing the UN Global Compact, the Group has committed itself to complying with internationally recognised human rights standards, including the ILO's core labour standards. This commitment includes rejecting forced labour, child labour and discrimination, and promoting fair, safe working conditions. These principles are anchored in the Group's Human Rights Policy Statement, which was resolved by the full Board of Management. In addition, the Talanx Group has committed itself to observing common international and sector-specific standards such as the Principles for Sustainable Insurance (PSI), the Principles for Responsible Investment (PRI), the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs). [S1-1 20 a, 21, 22] The whistleblowing system (see section 4.1.1 "Business conduct and corporate culture") offers employees a platform for reporting potential human rights breaches anonymously. This system is regularly reviewed and serves to identify risks and improve existing measures. [S1-1 20 c] Progress made and measures taken to implement human rights policy commitments are documented annually in the reporting. These reports promote transparency and underscore the Group's commitment to human rights.

Code of Conduct

The Talanx Group's Code of Conduct defines binding standards for legally compliant, ethical behaviour and applies to all employees around the world (see section 4.1.1 "Business conduct and corporate culture"). As a signatory of the UN Global Compact, the Group has undertaken to observe the Ten Principles, including respect for human rights and promoting fair working conditions. This is also reflected in the Talanx Group's Code of Conduct. The Code of Conduct explicitly forbids all forms of involuntary employment, child labour and human trafficking, and underscores the Group's commitment to a respectful and non-discriminatory corporate culture. [S1-1 20 a, 22, 21] A whistleblowing system, which can be used anonymously and in confidence, is provided for monitoring compliance with these principles. This system allows breaches to be reported and then subsequently reviewed and processed. The Chief Compliance Officer is responsible for the Code's content, and for enhancements to it. The code is made available via internal communications channels such as the intranet, and is flanked by training courses to ensure that employees are regularly informed of their obligations and rights. [S1-1 20 c]

The Hannover Re Group has an enterprise-wide Code of Conduct [MDR-P 65 b] that has been published in a number of languages on its website. This addresses a variety of impacts, risks and opportunities that have been identified as material. It was resolved by the Board of Management and the Supervisory Board of Hannover Rück SE and has been assigned to the Compliance department. The Hannover Re Group's full Board of Management is the most senior level accountable for its implementation. [MDR-P 65 c] Hannover Re Group staff had the opportunity to participate in the revision of the Code of Conduct. They can access the Code of Conduct on the intranet and were informed by the Compliance department in an e-mail and via an intranet video message. New staff are given the Code of Conduct as an appendix to their contracts of employment and all staff receive training on it every three years. [MDR-P 65 e, f, S1-1 20 b]

3.1.2 Working conditions

POLICY

The Talanx Group aims to create attractive and fair working conditions globally that do justice to the many and varied requirements that have to be met by an international oriented, decentralised undertaking. Good working conditions contribute decisively to employee satisfaction and motivation, strengthen moves to retain talented staff and make it easier to recruit new specialists. They also increase the Group's attractiveness as an employer – an important point when competing for qualified employees and in relation to ESG ratings. [MDR-P 65 a, S1-1 17] The individual companies within the Talanx Group are responsible for applying specific policies and organising working conditions. These are based on local requirements and circumstances. For example, the human resources strategy in Primary Insurance in Germany covers core issues relating to working conditions and employee remuneration. This strategy allows the Talanx Group's Primary Insurance business in Germany to position itself as an attractive employer with a corporate culture that promotes identification with the Group. It has done this by implementing a variety of measures relating to recruitment, remuneration, talent management, organisational development and corporate culture, which are grouped together under the headings of "Hire, Develop, Inspire and Xperience". Appropriate remuneration is ensured, for example, by complying with collective agreements for the private insurance industry. Equally, the focus on developing the internal corporate culture can strengthen working conditions and a team spirit. Poland, Mexico and Brazil also have local human resources strategies and collective agreements that ensure fair, appropriate working conditions. The Hannover Re Group revises its own enterprise-wide group strategy every three years. Its new strategy cycle for 2024–2026 was launched in the 2024 reporting year under the motto of "Staying Focused. Thinking Ahead.". Its "People & Culture Strategy" – a business-level strategy – addresses topics such as diversity, equity and employer attractiveness. Learning & Development are other core elements of its strategic direction. The relevant local human resources development departments are responsible for their implementation, and take the specific requirements and frameworks applicable in the different locations into account. [MDR-P 65 b, c, S1-1 19] Measures such as flexible working time models, work-life balance programmes and targeted CPD offerings help continuously improve working conditions. A global approach of this kind not only promotes employees' personal and professional development but also boosts their identification with the local companies and ultimately with the Company. The Talanx Group's decentralised structure makes it essential to adapt human resources policies and suitable measures flexibly to local circumstances and needs. No Group-wide monitoring process exists at present. [MDR-P 65 a]

Local agreements and guidelines are developed around the world to ensure the Talanx Group's guiding principles are met. These are aligned with the Group's core topics while also taking specific local requirements and frameworks into account. Matters such as working conditions, health and safety, ensuring a satisfactory work-life balance, and learning and development opportunities are customised and integrated so as to offer employees tailor-made support.

One example of the way in which these principles are implemented in practice is the "NewWork@HDI" works agreement, which combines the demands of a modern working world with employees' needs. This agreement was introduced for Primary Insurance employees in Germany in 2021 and establishes a flexible working policy that makes achieving a satisfactory work-life balance easier. It enables all employees (with the exception of a few specific professional groups whose activities do not permit remote working) to work remotely and to flexibly choose their place of work within Germany and the European Economic Area. This improves working conditions. A good work-life balance reduces the stress on staff and has a positive impact on their mental health. The policy is monitored and evaluated through regular dialogues between the employee representatives and the employer. [MDR-P 65 a]

The "Qualifications" works agreement was resolved for all Primary Insurance employees with the exception of senior executives (leitende Angestellte) to accommodate the requirements of a dynamic world of work. The agreement aims to introduce a sustainable learning culture that boosts performance and enhances the Group's attractiveness as an employer. The offerings developed as a result comprise digital and classroom-based training on professional qualifications, and management and IT skills, and are planned locally as needed. In addition, the agreement sets out that individual measures should be agreed in employee reviews, with a distinction between qualifications that are necessary for operations and appropriate personal CPD being possible. Financial support is provided for the latter. Local agreements are possible outside Germany, with the relevant human resources departments being responsible for implementing them. Information on the Group Agreement is shared with employees via the intranet.

The Talanx Group's decentralised structure means that it does not have any cross-border health and safety policies. Instead, the companies use local approaches and systems that are adapted to specific requirements and circumstances to ensure the health and safety of all employees. Since the activities performed by the Talanx companies are not particularly hazardous, one of the main focuses is on promoting mental health so as to avoid stress and burnouts. Measures such as ergonomic workplace design, occupational health management and regular health and safety training help to continuously improve working conditions. Compliance with and monitoring of local health and safety legislation, such as in the Primary Insurance Group's companies in Germany, Poland, Brazil and Mexico, and in the Hannover Re Group, are a top priority. Special protection is given to particularly vulnerable groups such as pregnant women and young people. In Germany, a Health and Safety Committee meets several times a year to assess hazards and coordinate suitable measures. Relevant information on health and safety is provided on the intranet, and employees can submit concerns anonymously via the internal whistleblowing system. Hazard assessments help to identify potential risks and to ensure a safe working environment by taking the necessary technical, organisational and personal protective measures. [S1-1 23]

ACTIONS

Actions related to corporate culture and remuneration

The salaries paid to non-pay scale, pay scale and near-pay scale employees in Germany are reviewed annually by the manager responsible and by the human resources department on the basis of remuneration analyses, and are adjusted individually for performance and responsibility. [MDR-A 68 b, c] This practice has been in place for many years. [MDR-A 68 a] In addition, an independent grading model supplied by an external service provider is used in the case of senior executives (leitende Angestellte) in Primary Insurance, so as to enable objective, transparent assessment of the positions concerned. The annual salary review/adjustment ensures appropriate, competitive remuneration that complies with the collective agreements and meets market requirements. The use of external grading models enhances transparency and equal treatment, while the remuneration analyses are a core way of promoting employee motivation and satisfaction. This has a positive effect on the ability to retain specialist staff and young talent, and helps combat high levels of employee turnover. [S1-4 35, 38, 40, S1-10 69, MDR-A 68 a] The effectiveness of the action is reviewed through annual participation in a variety of salary benchmarks and by using specific individual benchmarks where required. This approach ensures continuous assessment and adjustment of the salary structure. [S1-4 38 d] Remuneration analyses and grading models are also used in the Group's international companies such as those in Poland, Brazil and Mexico, so as to ensure that remuneration assessment is as uniform and fair as possible.

At the Hannover Re Group, Global Human Resources created the Global Rewards Framework Policy (GRew) plus a global job architecture, and rolled these out in the reporting year. The policy services to create a group-wide framework for creating, modifying and maintaining appropriate remuneration and performance plans. The goal is to apply the remuneration system uniformly throughout the group; local remuneration guidelines and plans will be reviewed for this. [MDR-P 65 a] The only exceptions are staff at two subsidiaries, Integra and Argenta, and the South African agencies in the Hannover Re Group. [S1-1 19, MDR-P 65 b] The most senior level accountable for the implementation of the Global Rewards Framework Policy is the Managing Director Global Human Resources. [MDR-P 65 c]

In Germany, the Talanx Group offers financial assistance in the form of one-time grants to employees who, through no fault of their own, find themselves in economic or personal difficulties. [MDR-A 68 b] This measure was launched in close cooperation with the Group Works Council and implemented via the Talanx Unterstützungsverein (TAUVE e. V.) benevolent fund. The goal is to provide swift, unbureaucratic help in emergencies and hence to improve employees' social welfare and well-being. [S1-4 35, 38, 40, MDR-A 68 a] The financial assistance provided takes the form of one-time grants of up to EUR 5,000, which do not have to be repaid. This helps promote employee loyalty to the Company and to reinforce a responsible corporate culture. Its effectiveness is tracked by evaluating its utilisation and feedback from recipients, with the aim of further enhancing the support process and adapting it to the needs of employees facing difficult situations. [S1-4 38 d]

At an international level, such support measures are adapted to local conditions. For example, WARTA Group employees receive help in the form of access to additional private health care and income support in difficult life situations; these measures take the form of subsidised life insurance, additional occupational pension programmes and a company social fund. The latter fund provides employees with different levels of payments depending on the severity of the difficulties they are facing. The Group's Brazilian companies, on the other hand, offer their employees salary loans to provide them with financial flexibility in difficult situations. HDI Seguros S. A. in Mexico provides employees with social security insurance and insurance against substantial financial burdens arising in connection with medical care, and also offers an occupational pension programme.

The Talanx Group uses a variety of measures to promote its corporate culture as part of its human resources strategy, including its global Culture Days, its Culture Summit and the international Culture Hub. [MDR-A 68 a, b] These activities are coordinated by a team from Group People & Culture. The Culture Days offer digital and local offerings on core topics associated with cultural change, enabling employees to participate actively in them. At the 2024 Culture Summit in Hamburg, employees discussed cultural development, with a focus on engagement and innovation. The Culture Hub brings together a variety of experts from the Talanx Group to develop topics and approaches for the events. The results expected are greater employee loyalty, the promotion of innovation and engagement, and anchoring of the corporate culture so as to safeguard the Company's future performance. These measures help improve collaboration and satisfaction at work, which can strengthen the Group's attractiveness on the market and help with the recruitment of qualified employees. [S1-4 35, 38, 40, MDR-A 68 a] The effectiveness of the actions is tracked and assessed by the event organisers, through employee surveys and using participation rates for the events. [S1-4 38 d]

Actions to ensure a satisfactory work-life balance

The Parents@HDI network, an ongoing action, has helped parents, parents-to-be and interested staff in the Primary Insurance business in Germany with achieving a satisfactory work-family balance since March 2022. [MDR-A 68 a, b, c] It develops proposals for measures, raises awareness of needs and problems, and liaises closely with the team of coordinators at Group People & Culture to promote effective support. The network aims to arrange working conditions to be family-friendly, to create a supportive community within the Company and hence to increase employee satisfaction and motivation. It contributes to enhancing family-friendly measures and promoting an integrative culture at work by providing a platform for sharing experiences and best practices. Not only can these activities improve working conditions, but they can also help effectively target challenges such as poor working practices. At the same time, the network helps to recruit and retain qualified employees, and contributes positively to the Company's reputation and improved ESG ratings by promoting family-friendly approaches. [S1-4 35, 38, 40, MDR-A 68 a] The effectiveness of the action is assessed in a dialogue between the network and Group People & Culture, through direct feedback from participants and using general employee surveys. These inputs help to effectively enhance the actions taken and to optimise their effectiveness. [S1-4 38 d]

The Talanx Group provides support to employees in Germany by, among other things, subsidising childcare (since 2014), running a Company day-care centre in Hannover, offering vacation childcare and providing care-related services. [MDR-A 68 a, b, c] These offerings make achieving a satisfactory work-life balance easier and promote a family-friendly corporate culture. The goal is to increase employee satisfaction and performance, and to position the Company as an attractive, family-friendly employer. The subsidies, care offerings and services provide help to reduce the burden on parents and relatives of people needing care in difficult situations, to reduce stress and to promote employees' (mental) health. All these measures reinforce the Group's image as a family-friendly company – something that also has a positive effect on its ESG ratings and hence on its long-term success. In addition, the actions increase the Company's attractiveness as an employer, facilitate the recruitment and retention of qualified specialists and promote a supportive working environment. [S1-4 35, 38, 40, MDR-A 68 a] The effectiveness of the action is tracked and assessed by monitoring capacity utilisation rates for the day-care centre and the services offered, through feedback from parents and relatives of people needing care, and looking at how frequently subsidies are applied for. [S1-4 38 d]

The international companies such as the WARTA Group in Poland and HDI Seguros S.A., Mexico, have localised measures in place for achieving a satisfactory work-life balance, such as parental care days above and beyond the statutory requirements or the right to take special leave for family reasons.

Training and skills development actions

Permanent initial training and CPD offerings are made available at company level and cover specialist, social, self-competence and methodological skills. For example, in 2024 the Talanx Group's Primary Insurance business in Germany offered all employees foreign-language training. The training is provided both internally and externally, and participants can use both traditional and digital formats. This action contributes to implementing the "Qualifications" Works Agreement and has been in place for many years, meaning that it applies on an ongoing basis; it is coordinated by Group People & Culture. [MDR-A 68 a, b, c] It aims to boost employees' professional abilities and skills, improve communication and collaboration, and promote the use of innovative methods and effective self-management. The continuous, targeted learning offerings support employees' professional development and create an attractive working environment. They help to prevent a lack of training and skills development and professional development, to increase workforce adaptability and to retain talented specialists for the long term. In addition, they reduce the risk of an inadequately qualified workforce, hence permanently increasing the Company's efficiency. [S1-4 35, 38, 40, MDR-A 68 a] The effectiveness of the action is tracked and assessed by documenting and evaluating participation data for the relevant training offerings and mandatory courses. This evaluation permits continuous monitoring and improvement of the learning formats. [S1-4 38 d] The action is also a remedy, since a lack of initial training and CPD can weaken employee motivation. [MDR-A 68 d]

The Hannover Re Group pursues its own strategic policies and actions for training and skills development, such as the MyLearning platform that was rolled out in the reporting year. This provides a wide range of training comprising both mandatory courses such as occupational safety and data protection and voluntary CPD offerings. [MDR-A 68 a]

Needs-driven development programmes are aimed specifically at a variety of target groups such as young professionals, high-potential employees, women, specialists, executives and top management. These programmes have evolved over time and in some cases have been in place for a long time, but are also adapted or redeveloped as an ongoing action. [MDR-A 68 c] For example, the Female Empowerment Programme was launched in 2022. [MDR-A 68 a] The Top Management Programme applies to the Group worldwide, whereas the other offerings are relevant to Primary Insurance staff in Germany. [MDR-A 68 b] The programmes support cooperative learning in thematic communities and are designed to develop specific skills and hence to promote professional growth and success throughout the Company. By doing so, they help increase employee satisfaction and productivity, meet the need for training and CPD, and position the Company as an attractive employer on a competitive market. Targeted employee development strengthens workforce skills and makes a direct contribution to the Company's success. [S1-4 35, 38, 40, MDR-A 68 a] The effectiveness of the action is tracked and assessed using separate feedback surveys for each programme, plus indirectly via the annual employee survey. The results offer valuable insights into participant satisfaction and serve to continuously optimise the programmes. [S1-4 38 d] In addition, training programmes are specifically developed when needed to address identified challenges in a targeted manner, boosting the quality of both work processes and the working environment. [S1-4 38 b]

Health and safety actions

The Talanx Group offers its employees a wide range of health promotion measures to enhance their well-being and create a healthy working environment. These include both actions such as screening and preventive courses, and information events on topics such as ergonomics, mental health, exercise and nutrition. In Germany, the offerings have been established for many years and represent an ongoing action. [MDR-A 68 a, 68 b, 68 c] For example, the WARTA Group holds annual health events offering vital signs checks. This WARTA Group offering is flanked by financial support for company sports groups. The Hannover Re Group actively encourages staff health with health promotion programmes such as vaccinations, sports offerings and action days on exercise and nutrition. These exist worldwide but are adapted to local circumstances and needs.

In addition, measures such as preventing erosion of the boundary between work and time off, and health-aware management behaviour contribute to a working environment that protects employees' physical and mental health. Healthy working environments reduce risks such as stress or burnout and positively impact employee performance and well-being. At the same time, an attractive workplace boosts talent retention and increases the Talanx Group's attractiveness as an employer. Comparable independent agreements aimed at continuously improving working conditions in the business units concerned also exist in Brazil and Mexico, and at the WARTA Group in Poland.

Permanent offerings in the areas of exercise (e.g. sports courses), ergonomics in the workplace (consulting), mental health (e-learning) and healthy nutrition have grown over the years and are continuously enhanced (e.g. the replacement of learning space offerings). The measures aim to promote employee health, reduce time lost due to illness, and enhance workplace satisfaction. They not only contribute to improving working conditions but also reduce risks such as reputational damage resulting from inadequate health and safety at work. In addition, they help the Talanx Group to fulfil the requirements to be met by a responsible employer. [S1-4 35, 38, 40, MDR-A 68 a] The effectiveness of the actions is assessed using feedback submitted to the Group's support centre and by including these matters in regular employee surveys. [S1-4 38 d]

Since 2017, the Talanx Group has offered its employees in Germany the opportunity to obtain anonymous, professional advice about specific physical and mental health issues. [MDR-A 68 a, b] This ongoing action is implemented using an external service provider and also comprises support in sourcing therapy sessions and appointments with specialist doctors. [MDR-A 68 c] The goal is to promote employee health and well-being. By providing support for physical and mental health issues, the Group improves working conditions and helps enhance trust in the Company, as well as avoiding potential challenges that could arise from inadequate working conditions. [S1-4 35, 38, 40, MDR-A 68 a] The effectiveness of this action is not comprehensively tracked at present. Nevertheless, the external service provider regularly captures utilisation rates and collects feedback on the quality of the advisory offerings. These data provide initial insights and can serve as the basis for more systematic assessment. [S1-4 38 d]

In Germany, workplace-related risks are systematically evaluated so as to develop suitable protective measures such as ergonomic workplace design. [MDR-A 68 b] This ongoing action, which has been in place for years, aims to reduce physical stresses and to avoid work-related health problems, promoting employee satisfaction and productivity. [MDR-A 68 a, c] Systematically improving working conditions underscores the Talanx Group's responsibility for workforce well-being and reinforces trust in it as an employer. [S1-4 35, 38, 40, MDR-A 68 a] The effectiveness of the actions is checked using workplace inspections. Comments from the workforce and employee representatives can also be submitted to and discussed in the Health and Safety Committee, triggering additional improvements. [S1-4 38 d] The action is also a remedy, since poor working conditions can negatively impact satisfaction and motivation. [MDR-A 68 d]

3.1.3 Diversity/equity/inclusion

POLICY

The Talanx Group's diversity, equity and inclusion (DE&I) approach can help create a respectful, supportive working environment in which all employees can realise their potential. The DE&I policy that was introduced to achieve this promotes a diverse, equal-opportunities-based corporate culture and actively combats discrimination. The goal is also to create a respectful and inclusive working environment that promotes all employees' individual development. This strengthens not only workforce satisfaction and motivation but also long-term employee retention. Systematically growing talent and enhancing CPD offerings allows the Talanx Group to lay the foundations for innovative, state-of-the-art human resources management. At the same time, clear structures and measures ensure a trusting environment and fair dealings with one another. The policy ensures nobody is discriminated against due to their age, ethnic background and nationality, gender and gender identity, physical and mental abilities, religion and world view, sexual orientation and social background. Equally, the DE&I policy helps to ensure that human rights are respected and to promote a non-discriminatory workplace. [MDR-P 65 a, S1-1 17]

The policy is being implemented throughout the Group and is binding on all Primary Insurance employees. Group People Development is responsible for managing and monitoring it. Initial actions such as employee networks (including Women@Talanx and pride@hdi) allow employees to contribute actively and to help influence how the policy is implemented. In addition, surveys are conducted to obtain feedback that can then be included in policy enhancements. Complaints and reports of discrimination can be submitted anonymously and securely using the whistleblowing system. [MDR-P 65 b, c, e, S1-1 19, 21]

What is more, monitoring processes are being established to capture core metrics. These are also used to review the Talanx Group's ambition of appointing women to 50% of all management positions that become vacant. The DE&I policy is made available via the intranet and on the Company's website. [MDR-P 65 f, S1-1 24] The policy is based on the requirements of the German General Equal Treatment Act (AGG). In addition, the Talanx Group has joined the "Charta der Vielfalt" (Diversity Charter) initiative. This aims to implement a non-discriminatory working environment and to ensure that all staff are appreciated, irrespective of their age, ethnic background and nationality, gender and gender identity, physical and mental abilities, religion and world view, sexual orientation and social background. [MDR-P 65 d, S1-1 24]

The Hannover Re Group has included promoting diversity, equity and inclusion as an action area in its People & Culture Strategy. This also addresses topics such as equal pay and increasing the proportion of women in management positions. In addition, the aim is to integrate DE&I in all aspects of day-to-day work. Creating comprehensive awareness among managers and staff is vital here. Promoting equity strengthens the working atmosphere and contributes to a more diverse and more inclusive corporate culture in which people with disabilities can also be better integrated. By contrast, discrimination and inequality can negatively impact employees' well-being and professional development opportunities. [MDR-P 65 a] Staff can access information about the strategy on the Group-wide intranet. In addition, they are actively given opportunities to provide feedback via a number of channels. [MDR-P 65 f]

ACTIONS

Since 2014, Talanx Group employees have been able to meet up in internal networks and communities that focus specifically on the needs of women, LGBTIQ+[1] people, BIPoC[2] staff, parents and young professionals. [MDR-A 68 a] These communities, which are initiated and organised by the employees themselves, offer a supportive and inclusive environment. They promote dialogue and networking among under-represented groups and help raise awareness of diversity and inclusion within the Company. Creating specific platforms for under-represented groups enhances not only employee satisfaction but also the diversity of viewpoints and ideas within the organisation. This helps strengthen the Group's innovative capabilities and supports the development of an inclusive working environment. At the same time, it can reduce risks such as the loss of talent, negative media attention and legal action. [S1-4 35, 38, 40, MDR-A 68 a] While some networks such as the BIPoC network focus more on staff in Germany, the pride@hdi network, for example, is active at a global level. [MDR-A 68 b] The effectiveness of the action is tracked indirectly using the employee survey, which enables conclusions to be drawn about employee satisfaction and inclusion. [S1-4 38 d]

The Talanx Group offers training programmes to raise employee awareness of diversity, equal opportunities and inclusion. These programmes comprise information events, workshops and presentations aimed at promoting deeper understanding of these topics and at actively preventing discrimination. The measures help employees around the world to recognise unconscious bias and to create an inclusive working environment in which all employees feel respected and supported. [MDR-A 68 b] By sharing experiences and imparting core values, the training programmes help to promote a harmonious and respectful working environment that boosts collaboration and the Company's success. They reduce the risk of discrimination and help to avoid potential challenges such as the loss of talent or a negative working atmosphere. The action supports the long-term development of an inclusive corporate culture by raising employees' awareness and enhancing their skills. [S1-4 35, 38, 40, MDR-A 68 a] If a lack of development opportunities is identified in the prior-year evaluation, situation-based training programmes are specifically developed to address precise employee needs and to promote development goals. [S1-4 38 b, d]

The actions are also remedies, since discrimination and unequal treatment negatively impact affected employees. [MDR-A 68 d]

The actions are coordinated on an ongoing basis by a team at Group People & Culture, have been in place for many years and contribute towards the Diversity, Equity & Inclusion (DE&I) policy. [MDR-A 68 a, c]

In addition, the Hannover Re Group takes actions to promote various aspects of DE&I as part of its People & Culture Strategy. For example, the Global Rewards data sharing platform serves on the one hand to provide information on all topics relating to total remuneration, the job architecture and reporting, and on the other to share external benchmark results and to harmonise local bonus systems, a process that has already begun. This action permits the bases for remuneration to be coordinated within the enterprise, and hence contributes to ensuring that staff are treated equally. [S1-4 38 c, MDR-A 68 a] One goal is to prevent discrimination and unequal opportunities and hence to protect employees' health and career opportunities. Another is to avoid dissatisfaction and poor motivation negatively impacting the results of employees' work and their health. [S1-4 38a]

3.1.4 Engaging with own workforce and workers' representatives

Staff surveys

The Talanx Group polls employees in its annual employee survey and ad hoc topical surveys, among other things, so as to assess employee satisfaction, engagement and the ability to achieve a satisfactory work-life balance, for example. [S1-2 27 a] These surveys are performed online and allow anonymous feedback to be provided and specific workforce needs and challenges to be identified. [S1-2 27 b] The survey results are systematically evaluated and included in Company-wide decision-making processes. This can help to derive measures to improve working conditions and the corporate culture. [S1-2 27 e] The specialist departments concerned are responsible for conducting and analysing the surveys. Where appropriate, they use the insights obtained to establish new needs-driven measures. [S1-2 27 c] The surveys also serve to identify trends in the working atmosphere and to take strategic decisions on the basis of the employee feedback provided. The specialist departments monitor and assess the effectiveness of the surveys and redesign them where appropriate so as to ensure that they deliver meaningful, usable results. [S1-2 27 e]

Enterprise participation rights

Cooperation between the employer and the employee representatives at the Talanx Group is based on the national legislation granting employee representatives participation rights, co-determination rights, and consultation and information rights. In Germany, works councils play a crucial role in employee representation. [S1-2 27 a] In addition to the works councils, statutory bodies such as the representative bodies for severely disabled employees and for youths and vocational trainees look after the interests of specific employee groups. [S1-2 28] Cooperation between the members of the Board of

[1] Lesbian, gay, bisexual, transgender, intersexual and queer.
[2] Black, indigenous and people of colour.

Management and the employee representatives is active and dialogue-based. Agreements such as works agreements and company agreements are developed and resolved in line with the statutory requirements. In addition, voluntary arrangements are agreed so as to better reflect employee interests. For example, new works or company agreements – such as those covering the employee share programme, the digital HDI JobTicket or the rules relating to remote working – are regularly entered into. The phases of engagement, the way in which engagement takes place and its frequency vary depending on the topic concerned and the statutory requirements; normally, multiple discussions are held each year. [S1-2 27 b] At European level, European works councils represent the interests of HDI Global SE and Hannover Rück SE employees in accordance with the German Act on the Participation of Employees in a European Company (SEBG). This representation is based on an agreement to inform and consult employees, especially in the case of cross-border issues. [S1-2 27 a, S1-8 63 b] As a matter of principle, remuneration-related decisions at the Talanx Group are taken in close coordination with the responsible employee representatives, and hence take employee interests into account. [S1-2 27 b] Information on these topics is made available via internal communications channels such as the intranet. The effectiveness of participation in the enterprise is analysed and assessed in joint discussions between the employer and the employee representative bodies. [S1-2 27 e]

Whistleblowing system

The Talanx Group's whistleblowing system offers employees and external stakeholders the opportunity to report potential and actual breaches of internal rules, human rights standards or statutory obligations anonymously and in confidence. The system can be accessed around the clock and around the world in nine languages from the Company's website. Identities are protected using technical measures such as encryption and data separation so as to prevent information being traced back. Complaints can also be lodged via internal channels such as employee representative bodies, managers or Human Resources. Specific contacts such as the equal opportunities officers or inclusion officers are also available. [S1-3 32 b]

The procedure allows employees and external stakeholders to categorise their reports by topic, and to optionally set up an anonymous mailbox to receive feedback. Group Compliance coordinates and monitors report processing. The effectiveness of the whistleblowing system is reviewed at least once a year and ad hoc. Group Audit performed an internal audit of the whistleblowing system during the reporting year. [S1-3 32 c, e] Descriptions of the whistleblowing system can be found on Talanx AG's website, the access page that this links to and the publicly available Rules of complaints procedure for the German Supply Chain Due Diligence Act (LkSG), which provides information on its accessibility, on responsibilities and on the workflow. In addition, the Talanx Group's Code of Conduct contains an explicit prohibition on reprisals, and this is actively underscored by training courses and internal communications. The whistleblowing system is made accessible and transparent to employees by providing information on it on the intranet. [S1-3 32 d, 33]

3.1.5 Opportunities for employees to submit complaints

All German employees subject to the requirements of the German Works Constitution Act (BetrVG) have the right to call on competent bodies if they feel discriminated against, unfairly treated or otherwise adversely affected by their employer, superior or co-workers. Poor working conditions, cases of discrimination and complaints about a lack of initial training and CPD can also be dealt with in this way. If they so wish employees can call on support from, or request mediation by, a member of the Works Council. The Talanx Group has established a central complaints office as required by the AGG. Employees are provided with information about this facility and an overview of the relevant contacts on the intranet. They can use the office both in the case of allegations of discrimination on one of the grounds set out in section 1 of the AGG and to clarify general questions. In addition, they can address concerns and provide information in confidence to their direct superiors, the equal opportunities officers or the representative bodies for severely disabled employees. Complaints are initially received, processed and followed up by the competent local offices. Following this, appropriate measures can be taken. On recruitment, new employees are provided with information familiarising them with the relevant rules so as to raise awareness for non-discriminatory working practices. The Talanx Group's international companies also guarantee the right to complain and access to processes for this. [S1-3 32]

3.1.6 Targets related to the own workforce

Due to the Group's decentralised organisational structure and the deep roots that the local Group units have in their respective locations, the individual subsidiaries and branches have and pursue their own targets. These are tailored to the needs and requirements in the individual countries. Consequently, the Talanx Group does not disclose any clearly defined, measurable and outcome-oriented global targets as defined by the ESRS at Group level. Nevertheless, the Talanx Group continuously reviews the effectiveness of its own actions and policies designed to promote employee working conditions, and staff health, development and diversity. It uses a variety of internal approaches for this such as monitoring actions, evaluating statistical metrics and the feedback provided by employee surveys. Trends and developments are assessed using these qualitative and quantitative metrics so as to continuously optimise working conditions. [MDR-T 81 b]

3.2 Private retail customers (ESRS S4)

As an insurance undertaking, the Talanx Group depends on the trust of all its customers – be they undertakings or private individuals. Taking out insurance contracts is based on trust and hence the foundation for its economic activity. Trust arises when customers' interests and rights are taken into consideration consistently in the value chain. Needs-driven insurance solutions, fair advice that is focused on customer needs, and the provision of easy-to-understand information about recommended insurance solutions aim to ensure this, and are the preconditions for high customer satisfaction.

The basic statements made by the Talanx Group apply to all companies throughout the world. In addition, detailed information on private retail customers is collected at the largest companies. In the reporting year these were Germany, where roughly one-third of total revenue for the private retail customer segment is generated, plus the Brazilian companies and the WARTA Group companies in Poland.

The Talanx Group pursues a highly customer-centric business model and strategic focus, which it sees as the key to the Company's success. Conversely, customer dissatisfaction and inadequate cybersecurity can represent significant risks. It is therefore crucial to adopt a judicious strategy that proactively identifies and addresses positive and negative impacts. [ESRS 2 SBM-3 9 b]

Impacts on customers are a core component of the Talanx Group's strategy and business model, which focuses on providing customers with financial security and protection. High-quality advice and compliance with the duties to provide information contribute materially to customer satisfaction. However, data protection breaches or miscalculations of risks can potentially threaten customer trust. Modifications to products and improvements to the sales and advisory processes are essential to fostering positive customer experiences and to addressing potential challenges at an early stage. Reviewing internal workflows ensures the quality and effectiveness of the measures taken. [ESRS 2 SBM-3 9 a] The focus here is on customer satisfaction, since this is the basis for business success. Customer needs are part of the Talanx Group's sales strategy. One area in which this is operationalised is in product management.

The Talanx Group serves a variety of consumers and end-users both nationally and internationally; in the present case, only private retail customers will be examined, as mandated by the standard. Consequently, other customers such as large enterprises and institutional investors have not been considered, although they also play a major role for the Talanx Group. Private retail customers, whose needs for financial protection mainly revolve around their families or private households, are served by the private retail segments. They receive services, the performance of which could potentially negatively impact the protection of their personal data. [ESRS 2 SBM-3 10 a]

Individual cases of data protection breaches or miscalculations of risks are dealt with specifically. Such incidents can often be traced back to human error or technical problems. Ongoing training and initiatives to improve risk assessment and data protection aim to create a secure environment for customers. [ESRS 2 SBM-3 10 b]

The protection of customer data, the offer of customised insurance products and the high quality of advice that ensures customers are provided with information promote positive effects such as the protection of personal rights, and financial security and health for customers. These approaches are implemented globally with flexible adaptations being made to local circumstances and needs, so as to ensure their effectiveness. [ESRS SBM-3 10 c]

All material risks and opportunities that the Talanx Group identified during the materiality assessment in relation to consumers and end-users arise from the impacts and dependencies relating to consumers and end-users. [ESRS 2 SBM-3 10 d]

The materiality assessment did not determine that customers with particular characteristics might be at greater risk of harm than other customers. In addition, neither material impacts nor material risks and opportunities were identified that only impact specific groups of customers, or that impact such groups to a greater extent. [ESRS 2 SBM-3 10 a, 11, 12]

The Talanx Group is developing a globally tailored framework, which is also adapted to local conditions, to safeguard the Company's long-term success and protect customers' interests. This framework is supported by specific measures. The Talanx Group and local companies provide the necessary financial and human resources in the form of dedicated budgets (e.g. via local codes of conduct or customer loyalty reviews using the Net Promoter Score). [S4-4 37]

3.2.1 Data protection and cybersecurity

Data protection and cybersecurity are a priority for the Talanx Group, since they can boost customer trust and security and prevent the Company having a poor external image. An effective data protection management system and cybersecurity measures aim to ensure that customer data are protected. This increases customer trust in the Talanx Group, and reinforces it for the long term. At the same time, data protection breaches and the financial losses that often accompany them in the form of fines, sanctions and reputational damage can be prevented. Talanx's core policy here are its Group Data Protection Guidelines. Additional information on the policies and actions in relation to data protection and cybersecurity can be found in section 4.1.3 "Data protection/cybersecurity at the Group", since they affect all corporate data and not just customer data.

3.2.2 Human rights

The reference to human rights in the context of private retail customers is a mandatory disclosure under the ESRS. The human rights policy commitments (see section 3.1.1 “Human rights”), the Code of Conduct (see section 4.1.1 “Business conduct and corporate culture”) and the Human Rights Policy Statement (see section 3.1.1 “Human rights”) also apply to consumers and end-users. [S4-1 16] The Talanx Group has committed itself to observing the UN Global Compact and other international and common sector standards such as the Principles for Sustainable Insurance (PSI), the Principles for Responsible Investment (PRI), the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs). The policies related to private retail customers are in line with these obligations. Private retail customers are included via the whistleblowing system. No severe human rights breaches related to customers were reported in the reporting year. [S4-1 17, S4-4 35]

3.2.3 Integrity and customer orientation in the sales force

POLICY

The Talanx Group’s Code of Conduct (see section 4.1.1 “Business conduct and corporate culture”) serves as binding guidance for all staff and defines basic legal and ethical requirements for dealing with customers. It covers topics such as respectful interaction, fair competition, data protection, proper records and avoiding conflicts of interests. The Code aims to promote integrity and responsibility, strengthen customer trust and preserve Talanx’s reputation. It puts particular emphasis on customer-centric advice and information by ensuring transparency and comprehensive information. [MDR-P 65 a, S4-1 13] The Talanx Group’s Code of Conduct applies to all employees, including employed field sales force staff, who are in direct contact with all consumers and end-users. It is designed to ensure that all customer interactions are legally and ethically impeccable. [MDR-P 65 b, S4-1 15] It is available to staff on the intranet. [MDR-P 65 f] The Chief Compliance Officer and the Compliance team support and monitor compliance with the Code. [MDR-P 65 c]

The Talanx Group’s Code of Conduct is fleshed out in greater detail in the global Compliance Guidelines, which lay down minimum requirements. The Retail Germany Division has broken down these minimum requirements for its business model in greater detail in its HD Compliance Guidelines.

In addition, insurance undertakings belonging to the Retail Germany Division have signed up to the Code of Conduct for Insurance Distribution published by the German Insurance Association (GDV) and have undertaken to comply with its 11 principles. These underscore the integrity of sales staff, the needs-driven development and distribution of insurance solutions, and customer-centric advice. One core objective of the GDV Code is to ensure high-quality customer advice and support. The companies have introduced a compliance management system for insurance distribution to implement the requirements and comply with the rules set out in the 11 principles. Implementation of the Code’s rules and the adequacy of the compliance management system as a whole are audited regularly, and at least every three years, by independent entities. This is done by external auditors in accordance with audit standard IDW PS 980. A description of the implementation and the audit findings are published on the GDV website. Contractual arrangements with intermediaries and a systematic complaints management process support the Code’s implementation. The insurance undertakings in the Retail Germany Division that have signed up to the GDV Code of Conduct only work together with intermediaries in Germany who acknowledge the principles underlying the GDV Code of Conduct and apply them in practice. [MDR-P 65 a, S4-1 13] The GDV Code of Conduct is aimed at, and binding on, all sales force staff and intermediaries in Germany who are in direct contact with customers, regardless of whether they work directly for an insurance undertaking or as independent intermediaries. The goal is to ensure that they observe the principles set out in the Code when providing customers with advice and support. [MDR-P 65 b, S4-1 15] The Compliance Steering Committee plays a core role in ongoing monitoring of compliance with the HD Compliance Guidelines and the requirements of the GDV Code of Conduct for Insurance Distribution in the Retail Germany Division. Its task is to ensure that the companies that have signed up to the GDV Code of Conduct comply with its requirements, and that any measures that need to be taken to achieve this are taken. Equally, the IDD[1] requirements are taken into account for all participating companies with the same objective. In addition, the Compliance Steering Committee addresses compliance risks in the areas of sustainability, sanctions, embargoes and antitrust law, and ensures that the relevant requirements are observed and any measures that are needed are taken. The Compliance Steering Committee is chaired by HDI Deutschland AG’s Compliance Officer. The Chair or his deputy must inform the Board of Management of HDI Deutschland AG and the boards of management of the participating companies within four weeks of the material issues addressed in, and resolutions passed by, the Compliance Steering Committee by sending them the minutes of the Compliance Steering Committee meetings, including the risk analyses. [MDR-P 65 c] The GDV Code of Conduct applies in Germany, while comparable codes are used in other countries. In Poland, for example, the Code of Conduct produced by the Polish Chamber of Insurance is used, whereas in Brazil there is an institutional code of conduct taking the form of a regulatory requirement and containing guidelines for appropriate behaviour with respect to customer service and customer relationships.

The HDI Basic Code sets out binding principles of behaviour for all HDI tied agents in Germany. It serves to ensure customer-centric advice and to promote transparency in insurance intermediation. In line with the core elements of the GDV Code of Conduct, it emphasises

[1] Insurance Distribution Directive.

the importance of customer interests and obliges intermediaries to give these priority over their own interests at all times. In addition, the Code addresses ethical and legal standards such as avoiding corruption, conflicts of interests and unacceptable invitations. Special measures relate to the requirement to document customer advisory meetings, the promotion of sustainability criteria in the intermediation process and compliance with the General Data Protection Regulation (GDPR). [MDR-P 65 a, S4-1 13] It aims to protect and promote the interests of its target group, end-users. The Code can ensure that customer needs are taken into account during advisory meetings. In addition, it obliges intermediaries to pass on the rules of conduct to their staff and subintermediaries so as to ensure the principles are applied uniformly. [MDR-P 65 b] The member of HDI AG's Board of Management with responsibility for insurance intermediation is responsible for compliance with intermediaries' obligations. This information is provided in the entry in the IHK register of intermediaries. [MDR-P 65 c] The HDI Basic Code is a component of the contracts signed with all HDI tied agents. [MDR-P 65 f] Compliance with the rules of behaviour set out in the HDI Basic Code is checked by Complaints Management. [MDR-P 65a]

The Talanx Group's Compliance Guidelines underscore the importance of fair dealings with customers and focus on their interests. Sales force staff should be licensed and well-trained. The guidelines promote compliance with local duties to provide information and continuous customer support. The aim is to avoid conflicts of interest and improper influence. The monitoring process for the Compliance Guidelines comprises risk-based monitoring by Compliance, an early warning system for new laws and regulations, the provision of advice and support for Group companies, and the observance of local responsibilities. [MDR-P 65 a, S4-1 13] The Compliance Guidelines also affect product development, distribution and customer support for consumers and end-users. The stakeholders affected are all private retail customers and, via the requirements specified, the Talanx Group's sales force staff and intermediaries. [MDR-P 65 b] The Guidelines are made available via internal communications channels such as the intranet, keeping sales force staff regularly informed, and are flanked by training courses. The most senior level in the undertaking accountable for the implementation of the policy is Compliance Germany. [MDR-P 65 c]

The Talanx Group's Code of Conduct, the Talanx Compliance Guidelines, the HD Compliance Guidelines, the GDV Code of Conduct plus its implementation in the compliance management system for insurance distribution and the HDI Basic Code provide core guidance on ensuring customer-centric advice, transparency and comprehensive information. These codes can help protect and safeguard customers by ensuring that legal and ethical standards are complied with and that recommended products meet customers' individual needs. Proper documentation and transparent information can reduce miscalculations of risks and minimise the non-payment of claims. At the same time, they aim to prevent losses, with comprehensive advice and information ensuring that customers are better informed about risks and that they can take measures to mitigate them. Key focuses are on the integrity of sales force staff and representatives, the quality of advice given, and compliance with the duties to provide information. By focusing on customer orientation and ethical standards, the codes not only promote trust and loyalty but also help ensure long-term corporate success by aiming to increase customer satisfaction. [MDR-P 65 a]

ACTION

Actions to ensure the integrity of sales force staff and representatives

The compliance management system for insurance distribution comprises a large number of actions and processes (including the Compliance Steering Committee that has already been mentioned, regular monitoring of gift lists and the management of training measures) aimed at meeting statutory and regulatory requirements and promoting ethical behaviour. It aims to help make all distribution activities transparent and readily understandable, and to reduce the risk of misconduct and fraud. The system provides for regular training and awareness-raising measures for sales force staff, so as to enhance their understanding of the applicable rules and ethical standards. It also facilitates the continuous monitoring and assessment of sales practices. The expected outcomes of this action include enhanced integrity of sales force staff and intermediaries, and greater trust in the insurance products on the part of private retail customers in Germany. [MDR-A 68 b] Implementing a robust compliance management system allows potential risks to be identified and addressed early on, something that can help improve compliance. In addition, the system supports the provision of information and advice for customers, assisting the observance of information and disclosure obligations. The action ensures standardised processes, promoting transparency and fairness in distribution and hence allowing risks to be assessed more precisely and errors to be minimised. [S4-4 28, 31, MDR-A 68 a] The Compliance Steering Committee tracks the effectiveness of the action; this central body assumes responsibility for ongoing monitoring of compliance with the requirements of the compliance management system for insurance distribution in the Retail Germany Division. [S4-4 31 d] The action has helped to ensure compliance with the GDV Code of Conduct since 2014, with the system being updated and recertified on an ongoing basis. The last recertification took place in 2024. [MDR-A 68 a, c]

3.2.4 Product development and oversight

POLICY

The Talanx Group relies on decentralised approaches to product development and oversight that are specifically tailored to local requirements and market conditions. In Germany, these include Product Development and Oversight Guidelines for all retail insurance customers and, for example, the supervisory and management requirements for HDI Lebensversicherung and the bancassurance business. The goals are to guarantee a high level of product transparency and quality and to avoid conflicts of interest. The policies not only meet regulatory requirements such as those contained in the Insurance Distribution Directive (IDD) in Germany, but also help to boost customers' financial security and protect their health by ensuring that the products developed provide adequate cover for insurable risks. This can promote customer well-being and trust, since they can rely on the quality and transparency of the products and can be confident that their interests and needs are being taken into account. Consequently, product transparency and quality are crucial to ensuring long-term customer trust and satisfaction. The guidelines are reviewed annually to establish whether they need to be updated, with the annual update process being managed and monitored by the Business Organisation unit. [MDR-P 65 a, S4-1 13] They apply to product development and oversight in the German business units. Clear target market definitions ensure that products meet target group expectations, which are determined using market analyses, among other things. The inclusion of potential customer sustainability goals is an additional dimension of product development, especially in the case of insurance-based investment products. [MDR-P 65 b] Responsibility for implementing the policies lies with the individual companies concerned. The principles of behaviour and instructions can be accessed by all affected employees on the intranet. [MDR-P 65 c, f]

ACTIONS

Actions to ensure needs-driven insurance solutions

The individual companies within the Talanx Group have specific product approval processes, which cover both newly developed insurance products and major changes to existing ones. These processes manage the development, oversight, review and distribution of insurance products, ensuring that they meet customer needs and that potential challenges relating to their use are addressed proactively. The processes are designed to enhance the financial security of retail customers in Germany and strengthen trust in the Talanx Group's products. [MDR-A 68 b] Together with the IDD requirements that also apply, they have been an ongoing action since 2018 in the form of the Product Development and Oversight Guidelines policy. [MDR-A 68 a, c] Careful review can identify and minimise potential risks early on, contributing to improved product quality. [S4-4 28, 31, 32 b, MDR-A 68 a] Their effectiveness is checked via the ongoing oversight that forms part of the product approval processes, target market controlling for life insurance and complaints management. These processes help to ensure and continuously improve product quality. [S4-4 31 d] In Brazil, a variety of measures are being implemented, such as focus group analyses with end-users and pilot projects before products are launched.

The Talanx Group performs customer needs analyses and validation exercises to ensure customer needs are met. [MDR-A 68 a] These comprise annual customer surveys, benchmarking activities and pilot projects that are performed ad hoc in relation to specific questions and for various periods. The insights obtained are included in the Talanx Group's product development and strategic focus, ensuring that insurance products are precisely aligned with customer needs and strengthening customer trust. These ongoing actions, which have been in place for a long time, are also remedies and help enhance the financial security and protection of retail customers in Germany by enabling potential problems to be recognised early on and optimising protection against insurable risks. [S4-4 28, 31, 32 c, MDR-A 68 a, b, c] Continuous contact to customers is guaranteed via the various sales channels, which serve as platforms for continuous feedback. [S4-4 31 d]

Actions to ensure customer-centric advice and information

The Talanx Group's advisory documentation contributes significantly to ensuring that the needs of retail customers in Germany are systematically taken into account in the advisory process. [MDR-A 68 b] Tied agents, and banking and cooperative partners are required to treat determining customer needs as a material part of their activity and to use standardised minutes to carefully document the advisory meeting. HDI's standardised digital sales processes also create a consultation document that is made available to customers. This ongoing action, which was implemented in 2014, aims to improve the provision of information to customers and to reduce miscalculations of risks, in line with the HDI Basic Code. [MDR-A 68 a, c] The documentation allows customer needs to be captured and taken into consideration in detail, facilitates high-quality advice and hence helps promote security and customer protection. [S4-4 28, 31, MDR-A 68 a] The effectiveness of the action can be tracked through the ongoing monitoring by complaints management and target market controlling. In addition, the advisory documentation for tied agents is continuously evaluated. [S4-4 31 d]

In Germany, the Talanx Group uses the Hohenheimer Verständlichkeitsindex, a German readability index, specifically to ensure clear, understandable communication with private retail customers. [MDR-A 68 b] This ongoing measure has supplemented existing policies since 2014 and focuses on optimising the readability of product information. [MDR-A 68 a, c] At HDI, reviewing product sheets for compliance with a defined minimum value on the index is a fixed stage of product development in the private retail customer segment. Use of the Hohenheimer Verständlichkeitsindex aims to reduce potential misunderstandings, strengthen customer trust and promote transparent communication. At the same time, the action helps to ensure that duties to provide information are observed, contributes to improving the advice provided and reduces the risk of miscalculations and losses. [S4-4 28, 31, 32 b, 33, MDR-A 68 a] The effectiveness of the action is tracked by the continuous monitoring provided by Complaints Management and regular product reviews using the Hohenheimer Verständlichkeitsindex. [S4-4 31 d]

At the WARTA Group, customer information documents are regularly reviewed by the product units, and by the compliance and legal departments. In addition, the WARTA Group ensures that customers' interests in receiving clear, reliable information are met by contractually obliging sales partners to undergo training on the products offered and to comply with the duties of information set out in the Polish Insurance Distribution Act.

Using simple language to ensure clarity and transparency is also one of a number of measures aimed at providing customer-centric advice and information in Brazil. As is the case in Poland, customer information is reviewed by the legal department for compliance with the statutory requirements. The rules established by the Private Insurance National Council are particularly important here.

Actions to ensure customer satisfaction

The Talanx Group specifically deploys a range of instruments to capture satisfaction and loyalty on the part of its customers and sales partners. These include isolated internal customer surveys at points of contact, external assessment tools and research studies such as the "Kundenmonitor Assekuranz", trend analyses and market observation. The Retail Germany companies and the companies in Poland and Brazil use the Net Promoter Score (NPS) or comparable methodologies, the results of which are evaluated annually, to measure customer loyalty. [MDR-A 68 b] For more than 10 years, this ongoing action has offered a solid basis for optimising products and services so as to achieve high customer satisfaction, which is essential for the Company's long-term success. [MDR-A 68 a, c] Continuously measuring and analysing customer satisfaction makes it possible to react early on to potential dissatisfaction and to implement specific improvement measures. This can minimise potential challenges and boost customer retention and new customer acquisition. [S4-4 28, 33, MDR-A 68 a] The effectiveness of the action is tracked by regularly capturing and analysing the NPS data and by performing a benchmark comparison to identify changes in customer loyalty. [S4-4 31 d]

In 2022, a sustainability management governance unit was established for the Retail Germany Division so as to continuously expand the Group's knowledge of, and insights into, current customer needs, and to adapt products in line with this. [MDR-A 68 a, b] This unit plays an active role in, for example, specialist events organised by Versicherungsforen Leipzig or in stakeholder dialogues such as the ESG dialogue with sales partners. This ongoing action promotes information sharing with different stakeholders and enables continuous improvements to be made in product development. [MDR-A 68 c] Continuous development helps enhance customer satisfaction and loyalty by providing sustainable, customised products. This helps improve customer relationships and can contribute to long-term loyalty and to the Company's success. At the same time, integrating ESG criteria helps project a positive corporate image and strengthen the Company's market position, since it allows specific customer preferences to be accommodated. [S4-4 28, 33, MDR-A 68 a] The effectiveness of the action can be tracked through the ongoing monitoring by complaints management and target market controlling. In addition, the advisory documentation for tied agents is continuously evaluated. [S4-4 31 d]

3.2.5 Engaging with consumers and end-users

Customer surveys

The Talanx Group performs annual customer surveys that focus on core topics such as product satisfaction, the information provided and the quality of advice given. These aim to identify specific customer needs and recognise potential challenges early on. [S4-2 20 a, b] The survey results are systematically analysed and included in Company-wide decision-making processes. This can then be used as a basis for deriving specific actions that can be taken to improve product development and the advice provided, and to optimise processes. [S4-2 20 d] In addition, the results can give indications enabling potential customer challenges to be identified early on and suitable actions to be taken. [S4-4 32 a] The surveys also serve to identify trends and customer needs and to align the Company's strategic focus with customer expectations. Specialist departments (such as Product Management HUS (which handles third-party liability, accident and property claims)) and Market Research monitor and assess the effectiveness of the surveys and adapt their design as necessary so as to ensure that the results are meaningful and usable. [S4-2 20 d]

Market research

The market research process for engaging with consumers and end-users and their representatives involves a number of stages. [S4-2 20 a] Market research activities are generally performed annually. To start with, target groups such as private retail customers, retail business customers, brokers and tied agents are defined. Data is captured both by phone and online using a mix of quantitative and qualitative methodologies so as to ensure that a comprehensive picture of customer expectations and perceptions is obtained. [S4-2 20 b] Corporate Market Research has operational responsibility and coordinates and monitors the entire process. [S4-2 20 c] The data captured are analysed and compared with benchmarking studies from other market participants, so as to identify the key drivers for customer satisfaction and business volumes. Based on the results, specific improvements are developed and implemented in the specialist departments concerned, so as to further enhance the Company's competitiveness. [S4-2 20 d]

3.2.6 Opportunities for private retail customers to submit complaints

The Talanx Group has a systematic Complaints Management function that aims to deal effectively with customer concerns, to ensure customer satisfaction after a complaint has been submitted, and to enhance customer retention (see section 4.1.1 "Business conduct and corporate culture"). [S4-3 25 a] Customers can use a number of different channels to submit complaints, including sales channels, e-mail and the individual companies' customer portals. For example, HDI's online customer portal offers digital services and a chat function that allows customers to submit complaints or voice concerns around the clock. This function is supported by chat bot technology, which produces an initial record of the issue and relays it to Support. [S4-3 25 b, c] After receiving a report, Support then decides individually how to deal with the complaint so as to ensure an appropriate solution is found. No scripted answers are used. All queries are examined for their specific context and appropriate action is then taken. [S4-3 25 d] In addition, customers can access the Company's own complaints channels and the Talanx Group's whistleblowing system, which is also available to all customers online (see section 4.1.1 "Business conduct and corporate culture"). The Talanx Group takes a variety of measures to protect whistleblowers, thus ensuring that the rights of the persons affected are protected and that trust in the whistleblowing system is preserved. For example, the Talanx Group's Code of Conduct makes clear that whistleblowers do not have to fear any disciplinary measures or other adverse consequences, regardless of whether a report turns out to be correct or not. The ability to submit messages anonymously also protects whistleblowers from any adverse consequences. The fact that the system is operated by an external provider not belonging to the Talanx Group and that data are encrypted are further protections for whistleblowers. Private retail customers can obtain information about this on the websites of all companies in Germany. Additionally, customers in Germany can use external complaints channels such as the Versicherungsombudsmann (insurance ombudsman) or BaFin's complaints mechanism, which offer independent ways of lodging complaints. The Talanx Group does not have any processes in place to assess customer trust in its complaints channels. [S4-3 26]

3.2.7 Targets related to private retail customers

Due to the Group's decentralised organisational structure and the deep roots that its local subsidiaries have in their respective locations, the individual subsidiaries and branches have and pursue their own targets. These are tailored to the needs and requirements in the individual countries. Consequently, the Talanx Group does not disclose any clearly defined, measurable and outcome-oriented targets as defined by the ESRS at Group level. Nevertheless, the Talanx Group continuously reviews the effectiveness of its own actions and policies designed to promote the integrity of its sales force staff and representatives, needs-driven insurance solutions, the provision of customer-centric advice and information, customer satisfaction, data protection and cybersecurity. It uses a variety of internal methods for this such as monitoring actions, evaluating statistical metrics and the feedback provided by customer surveys. Trends and developments are assessed using qualitative and quantitative metrics so as to continuously optimise customer satisfaction. [MDR-T 81 b]

3.3 Social metrics

The following information complies with the requirements of MDR-M 77 a.

Definition of "employees"

An "employee" is defined as a person who is in an employment relationship with the Company according to national law or practice. This covers all employees who had a contract of employment or equivalent contractual obligation on the reporting date (31 December). Examples are full-time or part-time employees with permanent or fixed-term contracts, vocational trainees, management trainees, casual workers, interns, student employees, and sales force staff. In addition, employees on parental leave, long-term sick leave, sabbaticals, and military and civilian service are also included. Employees on assignment abroad whose costs are borne in full by the host company are also covered by the definition of employees. Workers on assignment abroad must be assigned to the country in which they are on the payroll. People in the passive phase of early retirement are not considered to be employees. [S1-6 50 d ii]

The Talanx Group's Board of Management is a corporate body and therefore is not covered by the definition of an "employee". The members of the boards of management of the business units and of the local units are employees and therefore are included in the data underlying the following metrics in line with the Talanx Group's definition.

Reconciliation of IFRS and ESRS employee figures

The definitions of "employees" used in IFRS financial reporting and in ESRS reporting are different. The IFRSs use restrictive definitions relating to German national law (HGB), which exclude vocational trainees and members of the Board of Management. Equally, employees with inactive employee relationships are not included. In contrast, the Talanx Group adopts a very broad definition of the term "employee" in the context of the ESRS. As a result, the figures for employees in the ESRS reporting exceed those given in the IFRS reporting.

Top management

The Talanx Group defines "top management" as the management levels 1 and 2 below the Talanx Group Board of Management. People who perform more than one of the above-mentioned functions are only counted once in this metric.

Remuneration

The metrics on remuneration are calculated on the basis of the gross hourly pay for all staff. This enables e.g. part-time workers and staff who leave or join in the course of a year to be included more appropriately, enhancing comparability. The gross hourly pay is determined by the cash flow, i.e. the gross wage actually paid during the reporting period divided by the contractual hours of work performed. The gross wage corresponds to the total remuneration, i.e. the sum actually paid during the reporting period as indicated on the salary statements for the entire reporting period. This includes not only the base remuneration but also any other remuneration in the form of cash or in-kind benefits that the employee receives directly or indirectly from the employer as a result of their employment. Pension entitlements are added to the gross wage on the basis of an estimate.

This estimate is made on the basis of the ratio of the pension expenses to the wages and salaries for the previous year. The highest paid individual is assigned their exact pension expense for the reporting year.

Information on remuneration-based metrics

The Talanx Group complies with the ESRS requirements by reporting the metrics relating to pay equity and remuneration in line with the standard. However, the Group takes a critical view of the informative value of the metrics on the "gender pay gap" and the "annual total remuneration ratio for the undertaking's highest paid individual to the median annual total remuneration for all employees". The standard requires calculation of an unadjusted gender pay gap. All reasons explaining differences in pay between genders (e.g. different roles, qualifications, (staff) responsibility and professional experience) have been ignored in line with the standard. This also applies to the fact that the proportions of female and male staff vary between countries and regions with different wage levels. This results in a figure being quoted that in Talanx's opinion does not permit any substantive statement to be made about the gender pay gap.

In line with the standard, the horizontal comparison of remuneration is based on calculating all salaries in the Group. This means that for Talanx, as an international Group, all international salaries are also contrasted with the highest salary paid in Germany. This ignores pay differentials between the different countries, reducing the information value of the metric determined. In addition, the metric's informative value in relation to other undertakings and groups is severely limited, as it largely depends on the countries in which staff are employed. This means that a comparison of the metric across the sector is hardly possible. [S1-16 79 a, b, AR 99]

EMPLOYEE HEAD COUNT BY GENDER (S1–6 50 AR 55)

Gender	2024 Number of employees (head count)
Male	15,197
Female	16,217
Other	—
Not reported	—
Total employees	**31,414**

EMPLOYEE HEAD COUNT IN COUNTRIES WHERE THE UNDERTAKING HAS AT LEAST 50 EMPLOYEES REPRESENTING AT LEAST 10% OF ITS TOTAL NUMBER OF EMPLOYEES (S1–6 50 AR 55)

Country	2024 Number of employees (head count)
Brazil	4,835
Germany	11,882
Poland	3,564
Total	**20,281**

This metric also meets the disclosure requirement under [ESRS 2 SBM-1 40 a iii].

EMPLOYEE HEAD COUNT BY CONTRACT TYPE, BROKEN DOWN BY GENDER (S1–6 50 AR 55)

	2024				
Number	Female	Male	Other[1]	Not reported	Total
Number of employees	16,217	15,197	—	—	31,414
Number of permanent employees	15,234	14,123	—	—	29,357
Number of temporary employees	945	1,026	—	—	1,971
Number of non-guaranteed hours employees	38	48	—	—	86
Number of full-time employees	—	—	—	—	—
Number of part-time employees	—	—	—	—	—

[1] Gender as specified by the employees themselves.

EMPLOYEE HEAD COUNT BY CONTRACT TYPE, BROKEN DOWN BY REGION (S1–6 50 AR 55)

	2024						
Number	European Economic Area	Rest of Europe	Africa	Asia and Australia	Latin America	North America	Total
Number of employees	18,139	848	552	2,005	9,076	794	31,414
Number of permanent employees	16,412	794	521	1,845	9,054	731	29,357
Number of temporary employees	1,672	54	28	149	16	52	1,971
Number of non-guaranteed hours employees	55	—	3	11	6	11	86
Number of full-time employees	—	—	—	—	—	—	—
Number of part-time employees	—	—	—	—	—	—	—

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE (S1–8 58 AR 70)

	2024		
	Collective bargaining coverage		Social dialogue
Coverage rate (%)	Employees – EEA (for countries with >50 employees representing >10% total employees)	Employees – Non-EEA (estimate for regions with >50 employees representing >10% total employees)	Workplace representation – EEA only (for countries with >50 employees representing >10% total employees)
0–19	Poland	–	–
20–39	–	–	–
40–59	–	–	–
60–79	–	Latin America	–
80–100	Germany	–	Germany, Poland

OTHER KPIS

ESRS		KPI	Unit	2024
S1–6	Characteristics of the undertaking's employees (S1–6 50 c)	Rate of employee turnover	%	12.9%
S1–6	Characteristics of the undertaking's employees (S1–6 50 c)	Total number of employees who have left the undertaking during the reporting period	Number	3,989
S1–9	**Diversity parameters (S1–9 66 a)**	**Top management**		
S1–9	Diversity parameters	of which female	%	16.1%
S1–9	Diversity parameters	of which female	Number	20
S1–9	Diversity parameters	of which male	%	83.9%
S1–9	Diversity parameters	of which male	Number	104
S1–9	Diversity parameters	of which other	%	–
S1–9	Diversity parameters	of which other	Number	–
S1–9	Diversity parameters	of which not reported	%	–
S1–9	Diversity parameters	of which not reported	Number	–
S1–9	**Diversity parameters (S1–9 66 b)**	**Age diversity of employees**		
S1–9	Diversity parameters	Employees head count – age group <30	%	16.7%
S1–9	Diversity parameters	Employees head count – age group 30–50	%	59.0%
S1–9	Diversity parameters	Employees head count – age group >50	%	24.3%
S1–10	Adequate wage (S1–10 67)	Employees paid below adequate wage	%	0.0%
S1–16	Remuneration metrics (pay gap and total remuneration) (S1–16 97 a)	Gender pay gap	%	32.1%
S1–16	Remuneration metrics (pay gap and total remuneration) (S1–16 97 b)	Total remuneration ratio for the highest paid individual to the median total remuneration for all employees	Factor	79
S1–17	**Incidents, complaints and severe human rights impacts (S1–17 103 a)**	**Total number of incidents of discrimination including harassment**	**Number**	**8**
S1–17	Incidents, complaints and severe human rights impacts (S1–17 103 b)	Number of complaints related to social and human right matters other than discriminations	Number	1
S1–17	**Incidents, complaints and severe human rights impacts (S1–17 103 c)**	**Total amount of fines, penalties and compensation for damages as a result of violating social and human rights factors**	**EUR**	**–**

4. Governance information

4.1 Business conduct (ESRS G1)

This section shows how the Talanx Group identifies, assesses and manages the impacts, risks and opportunities relating to its business conduct. It focuses in particular on the Group's corporate culture, on the prevention and detection of corruption and bribery, and on data protection and cybersecurity. [G1-1 8]

4.1.1 Business conduct and corporate culture

The Talanx Group actively identifies, assesses and manages the material impacts, risks and opportunities connected with its business conduct and corporate culture. [G1-1 8] The focus is on creating transparency in relation to Group-wide compliance with legal requirements and internal rules of conduct (see the Sustainability Commitment published by the Board of Management on the Talanx AG website). [G1-1 9] Talanx AG's Board of Management is responsible for implementing the Sustainability Commitment. [MDR-P 65 c]

POLICY

The compliance management systems (CMS) for the Talanx Group and the Hannover Re Group subgroup sets out rules for employees' business practices. These are contained in the Group-wide Code of Conduct and the Talanx Group's Compliance Guidelines, plus the Hannover Re Group's Code of Conduct and Compliance Group Policy. [MDR-P 65 b] Training raises employee awareness of their duty to comply with the rules.

Annual Group-wide compliance risk analyses are performed by the Talanx Group and the Hannover Re Group to monitor compliance risks. In addition, the CMS provides for regular monitoring measures. The annual risk analyses and the monitoring measures are the starting point for any risk mitigation measures to be taken. [MDR-P 65 a]

The Talanx Group has collated its key principles and rules on business practices in its Group-wide Code of Conduct for Employees, which is based on the UN Global Compact's Ten Principles [MDR-P 65 d]. The guiding principle behind this Code of Conduct is to ensure ethical business practices. The Code is designed to serve as a guideline for all business activities performed by Group staff. For example, it sets out the fundamental rules for avoiding corruption, for interacting respectfully with one another and for respecting human rights, as well as explaining how conflicts of interest can be avoided in day-to-day business. The Talanx Group's Code of Conduct was resolved by Talanx AG's Board of Management. It is assigned to Group Compliance [MDR-P 65 c] and is publicly available on Talanx AG's website. [MDR-P 65 f] The Talanx Group's Compliance Policy was also resolved by Talanx AG's Board of Management and has been assigned to Group Compliance, which is responsible for its content. [MDR-P 65 c] It has been rolled out to the Group's subsidiaries and is available on Talanx AG's intranet. [MDR-P 65 f] The Hannover Re Group's Code of Conduct and Compliance Group Policy were adopted approved by Hannover Rück SE's Executive Board, and responsibility for them has been assigned to the Hannover Re Group subgroup's Compliance department. [MDR-P 65 c] These documents have also been rolled out to the Hannover Re Group subgroup's subsidiaries and are available on the Group's intranet. [MDR-P 65 f]

The Talanx Group's CMS actively influences employee behaviour and the corporate culture, and creates a positive role model for business practices in the entire Group. The Group can use a good corporate culture to position itself as an attractive employer and to successfully recruit qualified, motivated staff. A good corporate culture also enhances the Group's attractiveness for investors, since it reduces reputational damage and associated financial losses. Such risks could also take the form of poor ratings and hence potentially worse terms and conditions for borrowing, plus generally weaker corporate performance due to a lack of qualified employees. [G1-1 9]

ACTIONS

The Talanx Group takes a variety of measures to identify, assess, manage and/or rectify impacts, risks and opportunities related to issues concerning its business conduct and corporate culture. For example, the members of the Board of Management and Supervisory Board of Talanx AG (the Group parent) must address the elements of the compliance management system at an overarching level at least once a year. [G1-1 9] Group Compliance prepares a Group Compliance Report to assist these bodies with this. Among other things, the report provides information on any material compliance incidents such as those relating to corruption and bribery, and in particular creates transparency about risks related to issues of business conduct and corporate culture. [G1-1 10a]

Since 2009, the Talanx Group has run a whistleblowing system that allows information about potential misconduct to be submitted anonymously from anywhere in the world. A systematic process has been set up to handle reports submitted in this way. [G1-1 10 a] This Group-wide whistleblowing system is another instrument that can be used to identify and assess risks related to business conduct and corporate culture. The system gives employees, customers, suppliers and other business partners an opportunity to report potential breaches of the law or of the rules set out in the Code of Conduct. [MDR-A 68 b] This helps the Talanx Group to identify risks connected with its business conduct and corporate culture at an early stage. The system permits reports to be submitted anonymously. It can be accessed worldwide in a total of nine languages via Talanx AG's website. Additionally, employees can report suspected breaches of the law or guidelines to their superior or directly to the compliance officer responsible for the company concerned. The competent compliance officer investigates all reports received. [G1-1 10a]

The Talanx Group takes a variety of measures to protect whistleblowers, thus protecting the rights of the people affected, preserving trust in the whistleblowing system and ensuring that the system is therefore used to identify risks. [G1-1 10 c] For example, the Talanx Group's Code of Conduct makes clear that whistleblowers do not have to fear any disciplinary measures or other adverse consequences, regardless of whether a report turns out to be correct or not. The ability to submit reports anonymously also protects whistleblowers against any discrimination. The fact that the system is operated by an external provider not belonging to the Group and that data are encrypted are further protections for whistleblowers. [G1-1 10 c ii, MDR-A 68 a]

The Talanx Group ensures that the whistleblowing system is used as extensively as possible to identify risks by actively informing staff and external parties about how the system can be used. The procedure for submitting reports is described on Talanx AG's website and on the access page that it links to. Talanx AG's intranet and the Talanx Group's Code of Conduct also draw attention to the whistleblowing system. Equally, links to the system are provided on a number of Group subsidiaries' intranets and websites. The whistleblowing system is explained and the link to the system provided in the training course that has been created for all Group employees. [G1-1 10 c ii]

The Talanx Group facilitates the effective use of the whistleblowing system for risk prevention through processes that permit incidents relating to business practices (including potential cases of corruption and bribery) to be examined swiftly, independently and objectively. For example, the whistleblowing system automatically generates messages to the competent system administrators when reports are received, ensuring they swiftly address the issues described. In addition, all Group companies are obliged by the Talanx Group's Compliance Policy, which applies throughout the Group, or the Hannover Re Group subgroup's Compliance Group Policy to report all material compliance breaches to Group Compliance or Hannover Re Group's Chief Compliance Officer without undue delay. This is done by the responsible local compliance officer. [G1-1 10 c, e]

Group Compliance, as the central compliance function, supports the Group companies in implementing and monitoring the minimum requirements set out in the Compliance Policy. In this role, Group Compliance also uses the annual compliance reporting process to monitor the extent to which the competent local compliance officers perform their roles independently of other functions such as Internal Audit, Risk Management or Underwriting. In addition, the compliance officers also state in the compliance reporting the extent to which they meet Group Compliance's minimum requirements for professional qualifications. The responsible local compliance officers at the Group's subsidiaries are provided with information and training on compliance-related issues regularly (at least twice a year) by Group Compliance using a virtual, non-mandatory exchange format (ComplianceXchange). [G1-1 10 c i]

Training of Group company staff on all relevant issues relating to business practices forms part of regular Group-wide compliance activities, so as to avoid risks and negative impacts for both the Talanx Group and externals. The frequency and level of detail of the training provided is individually tailored to the tasks performed by the various different employees. Group Compliance provides all Group employees with web-based training on the topics covered by the Group-wide Code of Conduct. Subsidiaries report once a year to Group Compliance on the compliance-related training taken by their staff. [G1-1 10 g]

4.1.2 Prevention and detection of corruption and bribery

The Talanx Group actively opposes all forms of corruption and bribery. Consequently, preventive measures against all sorts of corruption and bribery are an essential part of compliance management in the Talanx Group, with the aim being to act as a role model and to prevent cases of corruption occurring. This also avoids financial risks such as the negative effects on the community of policyholders of higher prices, or the negative impact on earnings of higher cost/loss ratios. [MDR-P 65 a] Investing in undertakings with good governance practices (UN Global Compact) creates incentives to prevent corruption and bribery. [G1-1 7, MDR-P 65 d]

POLICY

To prevent corruption both in its own operations and in its dealings with business partners, the Talanx Group's Code of Conduct and its Code of Conduct for Business Partners both explicitly state that the Group actively opposes all forms of corruption and bribery. The former document was resolved by Talanx AG's Board of Management and applies to all employees, while the latter was resolved by Talanx AG's Board of Management and responsibility for it has been assigned to Group Compliance. [MDR-P 65 b, c] The Talanx Group's Compliance Policy and the Hannover Re Group's Compliance Group Policy apply to employees. They flesh out these principles in greater detail and set minimum requirements for establishing processes to prevent corruption and bribery. Additionally, these policies are supplemented by divisional work instructions/policies, which apply to the employees at these companies. Examples are special anti-corruption requirements such as those for dealing with gifts, specific rules of conduct for avoiding and disclosing conflicts of interest, and more detailed rules on donations and sponsorships. These rules and the transparent approach taken to corruption and bribery aim to increase employee and customer trust and enhance integrity. The Talanx Group's Code of Conduct and the Code of Conduct for Business Partners are both available in German and English on Talanx AG's website and on the Group's intranet. Employees can access the Talanx Group's Compliance Policy in German and English on the intranet. The Hannover Re Group's Compliance Group Policy is available to employees in English on Hannover Re's intranet. In some cases, subsidiaries also provide staff with versions of these compliance requirements in the language of the country concerned. Employees can also access internal work instructions and information materials on the Group intranet. [G1-3 18 a, 20, MDR-P 65 f]

Regarding asset management, the Talanx Group's overarching ESG screening ensures that governance topics relating to the prevention and detection of corruption and bribery are taken into account. [MDR-P 65 a] One filter criterion used in this screening process is compliance with the UN Global Compact. In its liquid investment portfolio, the Talanx Group excludes investments in issuers that do not comply with the principles set out in the UN Global Compact. This also rules out undertakings for which information is available to indicate that they are involved in corruption, bribery or blackmail. The screening process is described in more detail in chapter 2. "Environmental information". [MDR-P 65 d]

ACTIONS

The Talanx Group's whistleblowing system also aims to prevent corruption, and to support the detection of corruption and bribery, by enabling employees and third parties to submit reports (including anonymously) about corruption and bribery in particular. In addition, by making the system available centrally the Talanx Group permits reports that, for example, relate to subsidiaries to be submitted centrally and hence without the involvement of the local management of the subsidiaries concerned. This helps to identify and avoid any conflicts of interest on the part of local investigators or investigating committees, and to ensure that incidents are examined independently. [G1-3 18 b] What is more, Group Compliance's annual compliance reporting activities include monitoring the extent to which the competent local compliance officers perform their roles independently of other functions such as Internal Audit, Risk Management or Underwriting.

The Talanx Group also offers information materials and training designed to raise employees' awareness of topics associated with preventing corruption. One example of this is a web-based training course that is available to all employees and board of management members at all Group units, and that offers practical examples of how to prevent corruption and recommendations for ensuring ethical behaviour in day-to-day operations. The training enables attendees to acquire specialist compliance knowledge regarding their due diligence duties to prevent corruption within the undertaking. [G1-3 21 a, c] Training quotas for anti-corruption training are evaluated so as to make corruption risks transparent and mitigate them as effectively as possible. This applies in particular to employees in functions-at-risk (distribution, claims processing and purchasing), and other functions considered by Group companies to be at risk (see section 4.2 "Governance metrics and targets"). [MDR-M 77 a, G1-1 10 h]

In addition, potential corruption risks are detected and prevented by including them in the annual Group-wide [MDR-P 65 b] compliance risk analysis. This analysis assesses risks and monitors the effectiveness of any risk mitigating measures. [MDR-A 68 a]

4.1.3 Data protection/cybersecurity at the Group

The Talanx Group's success depends on it being perceived by its business partners and end customers throughout the world as a trustworthy partner that takes care of the data entrusted to it. The Group's core processes depend on the availability of authentic and consistent information. In line with this, the most senior decision-making bodies require ongoing transparency about the information security situation, resulting risks and improvement measures. The Group aims to keep the risk of incidents involving material impacts on the data of its customers, business partners and employees appropriately small and hence also to reduce the risk of additional costs for recovery measures, fines, etc. Talanx AG's Board of Management defines annual security ambitions for the Group based on current insights as to the threat level, and these are then translated by the Information Security Office into target maturity levels for control requirements. [MDR-P 65 a]

POLICY

To break down the strategic requirements in greater detail, the Talanx Group has established second-line-of-defence functions within the Talanx Group´s internal control system for data protection (Group Legal) and information security (the Group Information Security Office) that report directly to Talanx AG's Board of Management. [MDR-P 65 c]

A Group policy defines the principles governing information security and the model for collaboration between local functions and the Group level. This also sets out the core duties of information and involvement. The Group Information Security Office function then uses this as a basis for defining requirements for information security controls that must be implemented in the local units around the world. [MDR-P 65 a] These are based firstly on an assessment of the current threat level and secondly on international standards such as the Cybersecurity Framework (CSF) published by the US National Institutes of Standards and Technology (NIST), or ISO 27001. [MDR-P 65 d] The requirements defined by the Group Information Security Office are implemented by local security management units at the subsidiaries (with the ultimate responsibility there lying with the relevant local management body), with the relevant IT and specialist departments implementing concrete controls. [MDR-P 65 c] Compliance with the overarching requirements is checked at least once a quarter.

Group policies also set out the actions that must be taken to ensure an appropriately high level of data protection and compliance with regulatory requirements, especially with the EU's General Data Protection Regulation (GDPR) and the German Federal Data Protection Act (BDSG). [MDR-P 65 a] The regulatory data protection requirements are implemented by the responsible specialist departments. A system of data protection coordinators serves as the interface between the central Data Protection function and the local units (with the ultimate responsibility there lying with the relevant local management body). [MDR-P 65 c]

ACTIONS

Data protection actions focus on safeguarding end customers' and employees' rights regarding the handling of their personal data. A high level of information security can only be achieved together with the involvement of employees. Actions such as security awareness campaigns have been set up to ensure this. These are designed in alignment with local requirements, with web-based training being used, for example. The established guideline management tools and processes are used to publish guidelines internally. [MDR-P 65 f]

All Group units implement measures based on the outcomes of the individual assessments to implement actions aimed at enhancing information security as part of a continuous improvement process. [MDR-A 65 b] This is done by drawing up roadmaps, implementation of which is generally planned using an annual cycle and quarterly milestones. Key actions generally include the following:

- governance actions such as establishing appropriate risk management systems
- technical and organisational measures to prevent/identify incidents (e.g. vulnerability management)
- the creation of plans and procedures for incident handling/restoring regular operations [MDR-A 68 a]

The Group's Information Security function uses the actions that have been established to monitor compliance with the core requirements. Monitoring takes the form of structured assessments of the levels of maturity concerned, tracking agreed actions, technical checks and extended tests of organisational and technical actions. A systematic risk assessment is performed in the case of any discrepancies, and processing of personal data is documented in a register. The Group's Data Protection function manages the register centrally for Germany. Decentralised registers exist for other EU countries. The register was redesigned in 2024 and ported to a software solution. This is also to be made available to certain foreign locations in 2025.

KPIs are regularly compiled and the results discussed with top management so as to check compliance with the central requirements. These indicators include a comprehensive annual analysis of the quality of implemented security measures at subsidiaries and a quarterly review of the progress made with implementing the subsidiaries' roadmaps, plus an updated assessment of defensive capabilities. At a technical level, external vulnerability scanning is performed on an ongoing basis (updates are made at least daily). At the group level, the results and the improvements achieved are analysed every quarter in reviews conducted with the responsible managers. External threat intelligence sources relating to the general threat situation or to individual areas, technologies or regions are evaluated at least monthly.

The Group's Data Protection function organises data protection training. This includes general training (web-based training) and needs-driven training, for example for specific departments or applications such as AI that pose particular data protection risks. Centrally organised training courses are held for Germany. The Group's Data Protection function is planning to design training for certain foreign locations in 2025.

In Germany, new software is launched using a control process that reviews whether certain data protection requirements have been met. This was extended to foreign locations as well in 2024.

All these measures are taken in the interests of the people affected (data subjects), so as to ensure secure, transparent processing that complies with the data protection requirements. [MDR-A 68 a]

4.1.4 Anti-competitive behaviour

Given the competitive situation on the reinsurance market, the Hannover Re Group's materiality assessment identified the topic of anti-competitive behaviour as an additional material topic. Consequently, the information provided below applies solely to the Hannover Re Group.

POLICY

As a reinsurance undertaking, the Hannover Re Group is in competition with other reinsurers. To prevent anti-competitive behaviour and promote fair competition, the Hannover Re Group has resolved an Antitrust Law Policy. This policy sets out instructions for employees on how to behave so as to avoid breaching antitrust law. [MDR-P 65 a]

The policy applies to all Hannover Re Group employees, regardless of their position or location. [MDR-P 65 b]

The Hannover Re Group's Chief Compliance Officer is responsible for this policy. [MDR-P 65 c]

4.2 Governance metrics and targets

Employees in distribution, claims processing and purchasing, and other staff identified by Group companies as being at risk are considered by the Talanx Group as being most at risk with respect to corruption and bribery due to their work ("functions-at-risk"). [G1-1 10 h] A total of 82.7% of these employees took part in an anti-corruption/anti-bribery training programme in the reporting period. [G1-3 21 b] A web-based training course, which gives practical examples of how to prevent corruption and recommendations on how to behave ethically in day-to-day business, was made available to all Talanx AG Board of Management members, but not to the external members of the Company's Supervisory Board, in 2023. Seven out of the total of seven members of Talanx AG's Board of Management have taken the course since then. Four out of the total of four internal members of Talanx AG's Supervisory Board have also completed the course since 2023.

The Talanx Group is not aware of any convictions or fines imposed on Group companies or employees for violating anti-corruption and anti-bribery laws. [G1-4 24 a]

This nil report confirms the effectiveness of the Talanx Group's anti-corruption and anti-bribery mechanisms. Consequently, no further ad hoc actions, action plans or targets were resolved in the financial year 2024. [G1-4 24 a, b, MDR-A 62, MDR-T 81]

Appendix

QUALIFICATIONS OF TALANX AG'S SUPERVISORY BOARD MEMBERS

		Herbert Haas[1, 2]	Jutta Hammer	Angela Titzrath[1, 2]	Natalie Bani Ardalan	Rainer-Karl Bock-Wehr	Dr Joachim Brenk	Sebastian Gascard
Length of service	Member since	2018	2011	2018	2024	2019	2023	2019
Personal suitability		✔	✔	✔	✔	✔	✔	✔
Diversity	Gender	Male	Female	Female	Female	Male	Male	Male
	Year of birth	1954	1968	1966	1972	1960	1961	1964
	Nationality	German	German	German	German/ British	German	German	German

	Qualifications	Business administration graduate (Dipl.-Kaufmann)	Trained insurance administrator (Versicherungs-kauffrau)	Graduate in economics (Dipl.-Ökonomin)	Teaching Degree for English and French (grammar schools)	Graduate in law (Jurist)	Dr. Ing./ Mechanical engineer (Dipl.-Ingenieur)	Graduate in law (Jurist)/ trained banker (Bankkauf-mann)
Expertise/ professional suitability[4]	Asset management	✔		✔			✔	✔
	Underwriting	✔	✔	✔	✔	✔		✔
	Accounting	✔		✔	✔		✔	✔
	Auditing	✔		✔			✔	✔
	Internal model	✔	✔	✔		✔	✔	
	Internationality	✔		✔	✔	✔	✔	✔
	Compliance	✔	✔	✔	✔	✔	✔	✔
	Risk management	✔	✔	✔	✔		✔	
	Human resources		✔	✔	✔	✔	✔	✔
	IT/digital transformation	✔	✔	✔	✔		✔	
	Sustainability/ESG	✔	✔	✔	✔			✔

1 Auditing expertise within the meaning of section 100(5) of the AktG ("financial expert").
2 Accounting expertise within the meaning of section 100(5) of the AktG ("financial expert").
3 ESG (environmental, social and governance) expertise.
4 Scores based on self-assessment (A = in-depth knowledge, B = sound knowledge, C = satisfactory knowledge, D = adequate knowledge, E = no to little knowledge), ✔ means a self-assessment of A or B.

	Dr Christof Günther	Dr Hermann Jung[1,2]	Dirk Lohmann	Christoph Meister	Dr Sandra Reich[1,2,3]	Matthias Rickel	Prof. Dr Jens Schubert[3]	Patrick Seidel	Norbert Steiner[3]
	2023	2013	2013	2014	2023	2024	2014	2024	2013
	✔	✔	✔	✔	✔	✔	✔	✔	✔
	Male	Male	Male	Male	Female	Male	Male	Male	Male
	1969	1955	1958	1965	1977	1966	1969	1984	1954
	German	German	German/ Swiss	German	German	German	German	German/ British	German
	Dr. rer. pol./ Industrial engineering graduate (Dipl.-Wirt-schaftsinge-nieur)/ Electrical engineering technician	Dr. rer. pol./ Industrial engineering graduate (Dipl.-Wirt-schafts-ingenieur)	Business administration graduate (Dipl.-Kaufmann)/ Political scientist/ economist	Graduate in law (Jurist)	Dr. jur./ trained banker (Bankkauffrau)	Graduate in law (Jurist)/ Trained insurance administrator (Versicherungs-kaufmann)	Graduate in law (Jurist)	Business administration graduate (B.A., MBA)	Graduate in law (Jurist)
		✔	✔	✔	✔			✔	✔
	✔	✔	✔		✔	✔		✔	
		✔	✔		✔			✔	✔
	✔	✔	✔		✔				✔
	✔	✔	✔	✔	✔			✔	
	✔	✔	✔		✔		✔	✔	✔
	✔	✔	✔	✔	✔	✔	✔		✔
	✔	✔	✔		✔		✔	✔	
	✔	✔		✔	✔	✔	✔	✔	✔
	✔	✔		✔	✔	✔			
	✔		✔	✔	✔		✔		✔

STATEMENT ON DUE DILIGENCE (GOV-4)

Core elements of due diligence	Paragraphs in topical standards	Paragraphs in the sustainability statement
Embedding due diligence in governance, strategy and business model	■ ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Overarching ■ 1.2.1 The role of the administrative, management and supervisory bodies (GOV-2) ■ 1.2.2 Sustainability matters during the reporting period
	■ ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	Overarching ■ 1.2.3 Integration of sustainability-related remuneration in incentive schemes for the Board of Management and Supervisory Board (GOV-3)
	■ ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	Overarching ■ 1.4.3 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3) E1 ■ 2.2.1 Fundamentals of climate change mitigation ■ 2.2.2 Policies in asset management ■ 2.2.4 Underwriting policies ■ 2.2.12 Environmental matters in risk management S1 ■ 3.1 Own workforce (ESRS 2 S-1) S4 ■ 3.2 Private retail customers (ESRS 2 S-4)
Engaging with affected stakeholders in all key steps of the due diligence	■ ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Overarching ■ 1.2.1 The role of the administrative, management and supervisory bodies (GOV-2)
	■ ESRS 2 SBM-2 Interests and views of stakeholders	Overarching ■ 1.4.1 Strategy, business model and value chain (SBM-1) ■ 1.4.2 Stakeholders' interests and views (SBM-2)
	■ ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities	Overarching ■ 1.3.1 Description of the materiality assessment process and outcomes (IRO-1) ■ 1.3.2 Topical disclosures on the process of identifying and assessing IROs E1 ■ 2.2.4 Policies in underwriting ■ 2.2.6 Policies for own operations ■ 2.2.9 Gross Scopes 1, 2, 3 and Total GHG emissions ■ 2.2.12 Environmental matters in risk management
	■ ESRS 2 MDR-P Policies adopted to manage material sustainability matters ■ Topical ESRS: reflecting the different stages and purposes of stakeholder engagement throughout the due diligence process	E1 ■ 2.2.2 Policies in asset management ■ 2.2.4 Policies in underwriting ■ 2.2.6 Policies for own operations S1 ■ 3.1.1 Human rights ■ 3.1.2 Working conditions ■ 3.1.3 Diversity/equity/inclusion S4 ■ 3.2.3 Integrity and customer orientation in the sales force ■ 3.2.4 Product development and oversight G1 ■ 4.1.1 Business conduct and corporate culture ■ 4.1.2 Prevention and detection of corruption and bribery ■ 4.1.3 Data protection/cybersecurity at the Group

STATEMENT ON DUE DILIGENCE (GOV-4)

Core elements of due diligence	Paragraphs in topical standards	Paragraphs in the sustainability statement
Identifying and assessing adverse impacts	■ ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities (including Application Requirements related to specific sustainability matters in the relevant ESRS)	Overarching ■ 1.3.1 Description of the materiality assessment process and outcomes (IRO-1) ■ 1.3.2 Topical disclosures on the identification and assessment of IROs E1 ■ 2.2.4 Policies in underwriting ■ 2.2.6 Policies for own operations ■ 2.2.9 Gross Scopes 1, 2, 3 and Total GHG emissions ■ 2.2.12 Environmental matters in risk management
	■ ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	Overarching ■ 1.4.3 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3) E1 ■ 2.2.1 Fundamentals of climate change mitigation ■ 2.2.2 Policies in asset management ■ 2.2.4 Policies in underwriting ■ 2.2.12 Environmental matters in risk management S1 ■ 3.1 Own workforce (ESRS 2 SBM-3) S4 ■ 3.2 Private retail customers (ESRS 2 SBM-3)
Taking actions to address those adverse impacts	■ ESRS 2 MDR-A – Actions and resources in relation to material sustainability matters ■ Topical ESRS: reflecting the range of actions, including transition plans, through which impacts are addressed	E1 ■ 2.2.3 Actions in asset management ■ 2.2.5 Actions in underwriting ■ 2.2.7 Actions in own operations S1 ■ 3.1.2 Working conditions ■ 3.1.3 Diversity/equity/inclusion S4 ■ 3.2.3 Integrity and customer orientation in the sales force ■ 3.2.4 Product development and oversight G1 ■ 4.1.1 Business conduct and corporate culture ■ 4.1.2 Prevention and detection of corruption and bribery ■ 4.1.3 Data protection/cybersecurity at the Group ■ 4.2 Governance metrics and targets
Tracking the effectiveness of these efforts and communicating	■ ESRS 2 MDR-M – Metrics in relation to material sustainability matters	E1 ■ 2.3 Environmental metrics S ■ 3.3 Social metrics
	■ ESRS 2 MDR-T – Tracking effectiveness of policies and actions through targets ■ Topical ESRS: regarding metrics and targets	E1 ■ 2.2.8 Targets related to climate change mitigation and adaptation S1 ■ 3.1.6 Targets related to own workforce S4 ■ 3.2.7 Targets related to retail customers G1 ■ 4.2 Governance metrics and targets

LIST OF REFERENCES USED (ESRS 2 BP-2)

ESRS disclosure obligation	Reference	Section
ESRS 2 SBM-1 40 a iii	3.3 Social metrics (part of the sustainability statement)	1.4.1 Strategy, business model and value chain (ESRS 2 SBM-1)

LIST OF REFERENCES TO REPORTS NOT INCLUDED IN THE SUSTAINABILITY STATEMENT (ESRS 2 BP-2)[1]

ESRS disclosure obligation	Reference	Section
ESRS GOV-3 29 b	Remuneration report (part of the Group Annual Report)	1.2.3 Integration of sustainability-related performance in incentive schemes for the Board of Management and Supervisory Board
ESRS 2 E1 GOV-3	Remuneration report (part of the Group Annual Report)	1.2.3 Integration of sustainability-related performance in incentive schemes for the Board of Management and Supervisory Board

[1] References to further information not included in the sustainability statement are not part of ESRS reporting.

LIST OF DISCLOSURE REQUIREMENTS MET (ESRS REFERENCE ESRS 2 IRO-2 54, 55, 56)

Standard	Disclosure Requirement	Section
ESRS 2	BP-1 – General basis for preparation of sustainability statement	1.1.1 General basis for preparation of sustainability statement (BP-1)
ESRS 2	BP-2 – Disclosures in relation to specific circumstances	1.1.2 Disclosures in relation to specific circumstances (BP-2) 1.3.2 Topical disclosures on the identification and assessment of IROs 2.2.12 Environmental matters in risk management Appendix: List of references used
ESRS 2	GOV-1 – The role of the administrative, management and supervisory bodies	1.2.1 The role of the administrative, management and supervisory bodies (GOV-1)
ESRS 2	GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.2.2 Sustainability matters during the reporting period (GOV-2) 1.2.1 The role of the administrative, management and supervisory bodies (GOV-1)
ESRS 2	GOV-3 – Integration of sustainability-related performance in incentive schemes	1.2.3 Integration of sustainability-related performance in incentive schemes for the Board of Management and Supervisory Board (GOV-3)
ESRS 2	GOV-4 – Statement on due diligence	Appendix: Statement on due diligence (GOV-4)
ESRS 2	GOV-5 – Risk management and internal controls over sustainability reporting	1.2.4 Risk management and internal controls over consolidated sustainability reporting (GOV-5)
ESRS 2	SBM-1 – Strategy, business model and value chain	1.4.1 Strategy, business model and value chain (SBM-1) 3.3 Social metrics
ESRS 2	SBM-2 – Interests and views of stakeholders	1.4.2 Stakeholders' interests and views (SBM-2) 1.4.1 Strategy, business model and value chain (SBM-1)
ESRS 2	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	1.4.3 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)
ESRS 2	IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	1.3.1 Description of the materiality assessment process and outcomes (IRO-1) 1.3.2 Topical disclosures on the process of identifying and assessing IROs
ESRS 2	IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	1.3.3 Disclosure Requirements in ESRS covered by the sustainability statement (IRO-2) Appendix: List of datapoints that derive from other EU legislation (IRO-2)
E1	related to ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes	1.2.3 Integration of sustainability-related performance in incentive schemes for the Board of Management and Supervisory Board (GOV-3)
E1	E1-1 – Transition plan for climate change mitigation	2.2.8 Targets related to climate change mitigation and adaptation
E1	related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	2.2.1 Fundamentals of climate change mitigation 2.2.2 Policies in asset management 2.2.4 Underwriting policies 2.2.12 Environmental matters in risk management
E1	related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	1.3.1 Description of the materiality assessment process and outcomes (IRO-1)
E1	E1-2 – Policies related to climate change mitigation and adaptation	2.2.2 Policies in asset management 2.2.4 Underwriting policies 2.2.6 Policies for own operations
E1	E1-3 – Actions and resources in relation to climate change policies	2.2.3 Actions in asset management 2.2.5 Underwriting actions 2.2.7 Actions in own operations

LIST OF DISCLOSURE REQUIREMENTS MET (ESRS REFERENCE ESRS 2 IRO-2 54, 55, 56)

Standard	Disclosure Requirement	Section
E1	E1-4 – Targets related to climate change mitigation and adaptation	2.2.7 Actions in own operations 2.2.8 Targets related to climate change mitigation and adaptation
E1	E1-5 – Energy consumption and mix	2.3 Environmental metrics
E1	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	2.2.9 Gross Scopes 1, 2, 3 and Total GHG emissions
E1	E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	2.2.10 GHG removals and GHG mitigation projects financed using GHG credits
E1	E1-8 – Internal carbon pricing	2.2.11 Internal carbon pricing
E1	E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in
E1	Minimum Disclosure Requirement – Policies MDR-P – Policies adopted to manage material sustainability matters	2.2.2 Policies in asset management 2.2.4 Underwriting policies 2.2.6 Policies for own operations
E1	Minimum Disclosure Requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters	2.2.3 Actions in asset management 2.2.5 Underwriting actions 2.2.7 Actions in own operations
E1	Minimum Disclosure Requirement – Metrics MDR-M – Metrics in relation to material sustainability matters	2.3 Environmental metrics
E1	Minimum Disclosure Requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets	2.2.8 Targets related to climate change mitigation and adaptation
S1	related to ESRS 2 SBM-2 – Interests and views of stakeholders	1.4.2 Stakeholders' interests and views (SBM-2)
S1	related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	3.1 Own workforce (ESRS S1)
S1	S1-1 – Policies related to own workforce	3.1 Own workforce (ESRS S1) 3.1.1 Human rights 3.1.2 Working conditions 3.1.3 Diversity/equity/inclusion
S1	S1-2 – Processes for engaging with own workforce and workers' representatives about impacts	3.1.4 Engaging with own workforce and workers' representatives
S1	S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns	3.1.4 Engaging with own workforce and workers' representatives 3.1.5 Opportunities for employees to submit complaints
S1	S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	3.1 Own workforce (ESRS S1) 3.1.2 Working conditions 3.1.3 Diversity/equity/inclusion
S1	S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	–
S1	S1-6 – Characteristics of the undertaking's employees	3.3 Social metrics
S1	S1-7 – Characteristics of non-employees in the undertaking's own workforce	Not material
S1	S1-8 – Collective bargaining coverage and social dialogue	3.3 Social metrics
S1	S1-9 – Diversity metrics	3.3 Social metrics
S1	S1-10 – Adequate wages	3.3 Social metrics
S1	S1-11 – Social protection	Phase-in
S1	S1-12 – Persons with disabilities	Not material
S1	S1-13 – Training and skills development metrics	Phase-in
S1	S1-14 – Health and safety metrics	Not material
S1	S1-15 – Work-life balance metrics	Phase-in
S1	S1-16 – Remuneration metrics (pay gap and total remuneration)	3.3 Social metrics
S1	S1-17 Incidents, complaints and severe human rights impacts	3.3 Social metrics
S1	Minimum Disclosure Requirement – Policies MDR-P – Policies adopted to manage material sustainability matters	3.1.1 Human rights 3.1.2 Working conditions 3.1.3 Diversity/equity/inclusion

LIST OF DISCLOSURE REQUIREMENTS MET (ESRS REFERENCE ESRS 2 IRO-2 54, 55, 56)

Standard	Disclosure Requirement	Section
S1	Minimum Disclosure Requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters	3.1.2 Working conditions 3.1.3 Diversity/equity/inclusion
S1	Minimum Disclosure Requirement – Metrics MDR-M – Metrics in relation to material sustainability matters	3.3 Social metrics
S1	Minimum Disclosure Requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets	3.1.6 Targets related to own workforce
S4	related to ESRS 2 SBM-2 – Interests and views of stakeholders	1.4.2 Stakeholders' interests and views (SBM-2)
S4	related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	3.2 Private retail customers (ESRS S4)
S4	S4-1 – Policies related to consumers and end-users	3.2.2 Human rights 3.2.3 Integrity and customer orientation in the sales force 3.2.4 Product development and oversight
S4	S4-2 – Processes for engaging with consumers and end-users about impacts	3.2.5 Engaging with consumers and end-users
S4	S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3.2.6 Opportunities for private retail customers to submit complaints
S4	S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	3.2 Private retail customers (ESRS S4) 3.2.2 Human rights 3.2.3 Integrity and customer orientation in the sales force 3.2.4 Product development and oversight 3.2.5 Engaging with consumers and end-users
S4	S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	–
S4	Minimum Disclosure Requirement – Policies MDR-P – Policies adopted to manage material sustainability matters	3.2.3 Integrity and customer orientation in the sales force 3.2.4 Product development and oversight
S4	Minimum Disclosure Requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters	3.2.3 Integrity and customer orientation in the sales force 3.2.4 Product development and oversight
S4	Minimum Disclosure Requirement – Metrics MDR-M – Metrics in relation to material sustainability matters	3.3 Social metrics
S4	Minimum Disclosure Requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets	3.2.7 Targets related to private retail customers
G1	related to ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies	1.2.1 The role of the administrative, management and supervisory bodies (GOV-1)
G1	related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	1.3.1 Description of the materiality assessment process and outcomes (IRO-1)
G1	G1-1 – Business conduct policies and corporate culture	4.1 Business conduct (ESRS G1) 4.1.1 Business conduct and corporate culture 4.1.2 Prevention and detection of corruption and bribery
G1	G1-2 – Management of relationships with suppliers	Not material
G1	G1-3 Prevention and detection of corruption and bribery	4.1.2 Prevention and detection of corruption and bribery 4.2 Governance metrics and targets
G1	G1-4 – Incidents of corruption or bribery	4.2 Governance metrics and targets
G1	G1-5 – Political influence and lobbying activities	Not material
G1	G1-6 – Payment practices	Not material
G1	Minimum Disclosure Requirement – Policies MDR-P – Policies adopted to manage material sustainability matters	4.1.1 Business conduct and corporate culture 4.1.2 Prevention and detection of corruption and bribery 4.1.3 Data protection/cybersecurity at the Group
G1	Minimum Disclosure Requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters	4.1.1 Business conduct and corporate culture 4.1.2 Prevention and detection of corruption and bribery 4.1.3 Data protection/cybersecurity at the Group 4.2 Governance metrics and targets
G1	Minimum Disclosure Requirement – Metrics MDR-M – Metrics in relation to material sustainability matters	4.1.2 Prevention and detection of corruption and bribery
G1	Minimum Disclosure Requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets	4.2 Governance metrics and targets
G1	Entity specific disclosures – cybersecurity	4.1.3 Data protection/cybersecurity at the Group

LIST OF DATA POINTS THAT DERIVE FROM OTHER EU LEGISLATION (ESRS 2 IRO-2)

Disclosure Requirement and associated data that derive from other EU legislation	Reference to other EU legislation	Section	"Material"/ "not material"/ "mandatory"
ESRS 2 GOV-1 21(d) Board gender diversity	SFDR: Indicator number 13 in Table 1 of Annex 1 Reference regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	1.2.1 The role of the administrative, management and supervisory bodies (GOV-1)	Mandatory
ESRS 2 GOV-1 21 e Percentage of board members who are independent	Reference regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	1.2.1 The role of the administrative, management and supervisory bodies (GOV-1)	Mandatory
ESRS 2 GOV-4 30 Statement on due diligence	SFDR: Indicator number 10 in Table 3 of Annex 1 Reference regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Appendix: Statement on due diligence (GOV-4)	Mandatory
ESRS 2 SBM-1 40 d i Involvement in activities related to fossil fuel activities	SFDR: Indicator number 4 in Table 1 Column 3 of Annex 1; Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk Reference regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Not applicable to the Talanx Group	Mandatory
ESRS 2 SBM-1 40 d ii Involvement in activities related to chemical production	SFDR: Indicator number 9 in Table 2 of Annex 1 Reference regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	Not applicable to the Talanx Group	Mandatory
ESRS 2 SBM-1 40 d iii Involvement in activities related to controversial weapons	SFDR: Indicator number 14 in Table 1 of Annex 1 Reference regulation: Commission Delegated Regulation (EU) 2020/1818, Article 12(1) Commission Delegated Regulation (EU) 2020/1816, Annex II	Not applicable to the Talanx Group	Mandatory
ESRS 2 SBM-1 40 d iv Involvement in activities related to the cultivation and production of tobacco	Reference regulation: Commission Delegated Regulation (EU) 2020/1818, Article 12(1) Commission Delegated Regulation (EU) 2020/1816, Annex II	Not applicable to the Talanx Group	Mandatory
ESRS E1-1 14 Transition plan to reach climate neutrality by 2050	EU Climate Law: Regulation (EU) 2021/1119, Article 2(1)	2.2.8 Targets related to climate change mitigation and adaptation	Material
ESRS E1-1 16 g Undertakings excluded from Paris-aligned Benchmarks	Column 3: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity Reference regulation: Commission Delegated Regulation (EU) 2020/1818, Articles 12(1) d to g and 12(2)	Not applicable to the Talanx Group	Material
ESRS E1-4 34 GHG emission reduction targets	SFDR: Indicator number 4 in Table 2 Column 3 of Annex 1: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics Reference regulation: Commission Delegated Regulation (EU) 2020/1818, Article 6	2.2.8 Targets related to climate change mitigation and adaptation	Material
ESRS E1-5 38 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	SFDR: Indicator number 5 in Table 1 of Annex 1 and indicator number 5 in Table 2 of Annex 1	2.3 Environmental metrics	Material
ESRS E1-5 37 Energy consumption and mix	SFDR: Indicator number 5 in Table 1 of Annex 1	2.3 Environmental metrics	Material
ESRS E1-5 40-43 Energy intensity associated with activities in high climate impact sectors	SFDR: Indicator number 6 in Table 1 of Annex 1		Material

LIST OF DATA POINTS THAT DERIVE FROM OTHER EU LEGISLATION (ESRS 2 IRO-2)

Disclosure Requirement and associated data that derive from other EU legislation	Reference to other EU legislation	Section	"Material"/ "not material"/ "mandatory"
ESRS E1-6 44 Gross Scopes 1, 2, 3 and Total GHG emissions	SFDR: Indicators number 1 and 2 in Table 1 Column 3 of Annex 1: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity Reference regulation: Commission Delegated Regulation (EU) 2020/1818, Article 5(1), Article 6 and Article 8(1)	2.3 Environmental metrics	Material
ESRS E1-6 53-55 Gross GHG emissions intensity	SFDR: Indicator number 3 in Table 1 Column 3 in Annex 1: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics Reference regulation: Commission Delegated Regulation (EU) 2020/1818, Article 8(1)	2.3 Environmental metrics	Material
ESRS E1-7 56 GHG removals and carbon credits	EU Climate Law: Regulation (EU) 2021/1119, Article 2(1)	2.2.10 GHG removals and GHG mitigation projects financed using GHG credits	Material
ESRS E1-9 66 Exposure of the benchmark portfolio to climate-related physical risks	Reference regulation: Commission Delegated Regulation (EU) 2020/1818, Annex II Commission Delegated Regulation (EU) 2020/1816, Annex II		Phase-in
ESRS E1-9 66 a Disaggregation of monetary amounts by acute and chronic physical risk ESRS E1-9 paragraph 66 (c) Location of significant assets at material physical risk	Column 3: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk		Phase-in
ESRS E1-9 67 c Breakdown of the carrying value of real estate assets by energy-efficiency classes	Column 3: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral		Phase-in
ESRS E1-9 69 Degree of exposure of the portfolio to climate-related opportunities	Reference regulation: Commission Delegated Regulation (EU) 2020/1818, Annex II		Phase-in
ESRS E2-4 28 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	SFDR: Indicator number 8 in Table 1 of Annex 1 Indicator number 2 in Table 2 of Annex 1 Indicator number 1 in Table 2 of Annex 1 and indicator number 3 in Table 2 of Annex 1		Not material
ESRS E3-1 9 Water and marine resources	SFDR: Indicator number 7 in Table 2 of Annex 1		Not material
ESRS E3-1 13 Dedicated policy	SFDR: Indicator number 8 in Table 2 of Annex 1		Not material
ESRS E3-1 14 Sustainable oceans and seas	SFDR: Indicator number 12 in Table 2 of Annex 1		Not material
ESRS E3-4 28 c Total water recycled and reused	SFDR: Indicator number 6.2 in Table 2 of Annex 1		Not material
ESRS E3-4 29 Total water consumption in m3 per net revenue on own operations	SFDR: Indicator number 6.1 in Table 2 of Annex 1		Not material
ESRS 2 SBM-3 E4 16 a i	SFDR: Indicator number 7 in Table 3 of Annex 1		Not material
ESRS 2 SBM-3 E4 16 b	SFDR: Indicator number 10 in Table 2 of Annex 1		Not material
ESRS 2 SBM-3 E4 16 c	SFDR: Indicator number 14 in Table 2 of Annex 1		Not material
ESRS E4-2 24 b Sustainable land/agriculture practices or policies	SFDR: Indicator number 11 in Table 2 of Annex 1		Not material

LIST OF DATA POINTS THAT DERIVE FROM OTHER EU LEGISLATION (ESRS 2 IRO-2)

Disclosure Requirement and associated data that derive from other EU legislation	Reference to other EU legislation	Section	"Material"/ "not material"/ "mandatory"
ESRS E4-2 24 c Sustainable oceans/seas practices or policies	SFDR: Indicator number 12 in Table 2 of Annex 1		Not material
ESRS E4-2 24 d Policies to address deforestation	SFDR: Indicator number 15 in Table 2 of Annex 1		Not material
ESRS E5-5 37 d Non-recycled waste	SFDR: Indicator number 13 in Table 2 of Annex 1		Not material
ESRS E5-5 39 Hazardous waste and radioactive waste	SFDR: Indicator number 9 in Table 1 of Annex 1		Not material
ESRS 2 SBM-3 S1 14 f Risk of incidents of forced labour	SFDR: Indicator number 13 in Table 3 of Annex 1	3.1 Own workforce	Material
ESRS 2 SBM-3 S1 14 g Risk of incidents of child labour	SFDR: Indicator number 12 in Table 3 of Annex 1	3.1 Own workforce	Material
ESRS S1-1 20 Human rights policy commitments	SFDR: Indicator number 9 in Table 3 of Annex 1 and indicator number 11 in Table 1 of Annex 1	3.1.1 Human rights	Material
ESRS S1-1 21 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Reference regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	3.1.1 Human rights; 3.1.3 Diversity/ equity/inclusion	Material
ESRS S1-1 22 Processes and measures for preventing trafficking in human beings	SFDR: Indicator number 11 in Table 3 of Annex 1	3.1.1 Human rights	Material
ESRS S1-1 23 Workplace accident prevention policy or management system	SFDR: Indicator number 1 in Table 3 of Annex 1	3.1.2 Working conditions	Material
ESRS S1-3 32 c Grievance/complaints handling mechanisms	SFDR: Indicator number 5 in Table 3 of Annex 1	3.1.4 Engaging with own workforce and workers' representatives	Material
ESRS S1-14 88 b, c Number of fatalities and number and rate of work-related accidents	SFDR: Indicator number 2 in Table 3 of Annex 1 Reference regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S1-14 88 e Number of days lost to injuries, accidents, fatalities or illness	SFDR: Indicator number 3 in Table 3 of Annex 1		Phase-in
ESRS S1-16 97 a Unadjusted gender pay gap	SFDR: Indicator number 12 in Table 1 of Annex 1 Reference regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	3.3 Social metrics	Material
ESRS S1-16 97 b Excessive CEO pay ratio	SFDR: Indicator number 8 in Table 3 of Annex 1	3.3 Social metrics	Material
ESRS S1-17 103 a Incidents of discrimination	SFDR: Indicator number 7 in Table 3 of Annex 1	3.3 Social metrics	Material
ESRS S1-17 104 a Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	SFDR: Indicator number 10 in Table 1 of Annex 1 Indicator number 14 in Table 3 of Annex 1 Reference regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II Article 12(1) of Commission Delegated Regulation (EU) 2020/1818		Not material
ESRS 2 SBM-3 S2 11 b Significant risk of child labour or forced labour in the value chain	SFDR: Indicators number 12 and 13 in Table 3 of Annex 1		Not material
ESRS S2-1 17 Human rights policy commitments	SFDR: Indicator number 9 in Table 3 of Annex 1 Indicator number 11 in Table 1 of Annex 1		Not material
ESRS S2-1 18 Policies related to value chain workers	SFDR: Indicators number 11 and 4 in Table 3 of Annex 1		Not material
ESRS S2-1 19 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	SFDR: Indicator number 10 in Table 1 of Annex 1 Reference regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II Commission Delegated Regulation (EU) 2020/1818 Article 12(1)		Not material

LIST OF DATA POINTS THAT DERIVE FROM OTHER EU LEGISLATION (ESRS 2 IRO-2)

Disclosure Requirement and associated data that derive from other EU legislation	Reference to other EU legislation	Section	"Material"/ "not material"/ "mandatory"
ESRS S2-1 19 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Reference regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S2-4 36 Human rights issues and incidents connected to its upstream and downstream value chain	SFDR: Indicator number 14 in Table 3 of Annex 1		Not material
ESRS S3-1 16 Human rights policy commitments	SFDR: Indicator number 9 in Table 3 of Annex 1 Indicator number 11 in Table 1 of Annex 1		Not material
ESRS S3-1 17 Non-respect of UNGPs on Business and Human Rights, ILO principles and OECD Guidelines	SFDR: Indicator number 10 in Table 1 of Annex 1 Reference regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II Commission Delegated Regulation (EU) 2020/1818 Article 12(1)		Not material
ESRS S3-4 36 Human rights issues and incidents	SFDR: Indicator number 14 in Table 3 of Annex 1		Not material
ESRS S4-1 16 Policies related to consumers and end-users	SFDR: Indicator number 9 in Table 3 of Annex 1 Indicator number 11 in Table 1 of Annex 1	3.2.2 Human rights	Material
ESRS S4-1 17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	SFDR: Indicator number 10 in Table 1 of Annex 1 Reference regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II Commission Delegated Regulation (EU) 2020/1818 Article 12(1)	3.2.2 Human rights	Material
ESRS S4-4 35 Human rights issues and incidents	SFDR: Indicator number 14 in Table 3 of Annex 1	3.2.2 Human rights	Material
ESRS G1-1 10 b United Nations Convention against Corruption	SFDR: Indicator number 15 in Table 3 of Annex 1	Not applicable to the Talanx Group	Material
ESRS G1-1 10 d Protection of whistleblowers	SFDR: Indicator number 6 in Table 3 of Annex 1		Not material
ESRS G1-4 24 a Fines for violation of anti-corruption and anti-bribery laws	SFDR: Indicator number 17 in Table 3 of Annex 1 Reference regulation: Commission Delegated Regulation (EU) 2020/1816, Annex II	4.2 Governance metrics	Material
ESRS G1-4 24 b Standards of anti-corruption and anti-bribery	SFDR: Indicator number 16 in Table 3 of Annex 1	4.2 Governance metrics and targets	Material

Other reports and declarations

Corporate governance

Corporate Governance Statement in accordance with sections 289f, 315d of the German Commercial Code (HGB)[1]

In this section, Talanx AG provides insights into its corporate governance practices by way of the Corporate Governance Statement in accordance with section 289f of the HGB and section 315d of the HGB in conjunction with section 289f of the HGB for the Talanx Group.

Corporate governance

The Board of Management and the Supervisory Board define good corporate governance as the responsible management and supervision of Talanx AG and the Talanx Group that is geared towards sustainable value creation. In particular, we aim to continue growing the trust placed in us by investors, our business partners and our employees, and by the public at large. We also attach great importance to the efficiency of the work performed by the Board of Management and the Supervisory Board, to good cooperation between these governing bodies and with the Company's staff, and to open and transparent corporate communication. Our understanding of good corporate governance is summarised in Talanx AG's Corporate Governance Principles, which are based on the German Corporate Governance Code (the "Code") (https://www.talanx.com/media/ Files/talanx-gruppe/pdf/corp_gov_en.pdf). We aim to always apply the highest ethical and legal standards both to strategic considerations and in our day-to-day business, since Talanx AG's public image and that of the entire Group depend on how each and every employee behaves, acts and conducts themselves.

The German Corporate Governance Code sets out current best practices in corporate governance, and aims to make the German corporate governance system clear and transparent and promote confidence in the management and oversight of listed German companies among international and national investors, customers, employees and the general public.

Talanx AG complied with all recommendations of the Code in the reporting period. The Board of Management and Supervisory Board issued the following declaration of compliance with the German Corporate Governance Code in the version dated 28 April 2022 on behalf of Talanx AG before the annual financial statements were adopted:

[1] This section has been explicitly excluded from the audit of the annual financial statements and the management report by law (section 317(2) sentence 6 of the HGB; unaudited information).

Declaration of Compliance with the German Corporate Governance Code by Talanx AG pursuant to section 161 of the AktG

Section 161 of the German Stock Corporation Act (AktG) requires the boards of management and supervisory boards of German listed companies to issue an annual declaration of compliance with the recommendations of the Government Commission on the German Corporate Governance Code ("the Code") published by the Federal Ministry of Justice and Consumer Protection, or alternatively to explain which recommendations were not or are not being followed and why not.

The Board of Management and Supervisory Board hereby declare pursuant to section 161 of the AktG that Talanx AG complies with all of the recommendations of the German Corporate Governance Code in the version dated 28 April 2022 (published in the Bundesanzeiger (Federal Gazette) on 27 June 2022).

The Company will continue to comply with the recommendations of the Code in the version dated 28 April 2022 in future, too.

Hannover, 12 November 2024

The Board of Management The Supervisory Board

The declaration of compliance and further information on corporate governance at Talanx can be found on the Company's website at https://www.talanx.com/en/talanx-group/corporate_governance/declaration_of_conformity.

Remuneration

Remuneration of the Board of Management

The current remuneration system for the Board of Management has been in place since 1 January 2021. It was adopted by the Annual General Meeting of Talanx AG on 6 May 2021 with a majority of 96.5%. It was developed by the Supervisory Board with the assistance of an independent advisor and complies with the requirements of the German Stock Corporation Act (AktG) and the recommendations of the German Corporate Governance Code (the "Code") in the current version published on 28 April 2022. The Supervisory Board regularly reviews the rules governing remuneration and the remuneration system for appropriateness. The Annual General Meeting addresses the approval of the remuneration system for members of the Board of Management at least every four years and in those cases in which proposals are made to change the remuneration rules.

The remuneration system for the Board of Management and details on current remuneration for the Talanx AG Board of Management are described at length in the 2024 remuneration report, which can be found on page 20 ff. of this annual report.

Supervisory Board remuneration

The remuneration system for Supervisory Board members is also based on the statutory requirements and takes the requirements of the German Corporate Governance Code into account. It is set out in article 12 of the Company's Articles of Association. The Supervisory Board regularly reviews the rules governing Supervisory Board remuneration and the remuneration system for appropriateness. The Annual General Meeting addresses the remuneration paid to Supervisory Board members at least every four years and in those cases in which proposals are made to change the remuneration rules. This was last the case at the Annual General Meeting on 6 May 2021, when the meeting resolved the current remuneration system for the Supervisory Board.

The individual remuneration paid to Supervisory Board members for financial year 2024 is broken down on pages 39f. of the annual report in the 2024 remuneration report.

Other corporate governance practices at Talanx AG

Code of Conduct

"Together for Integrity", our Group-wide Code of Conduct, is an effective tool for ensuring transparency on our commitment to complying with existing laws and our voluntary undertakings. The Code serves to explain fundamental legal and ethical requirements to employees and to provide further details of their duties in this area.

The Code of Conduct applies throughout the Group and is available in a number of languages. Clients, suppliers and other stakeholders can access it publicly on Talanx's website at https://www.talanx.com/media/Files/talanx-gruppe/pdf/Verhalten_2023_EN.pdf.

Sustainability

As an international insurance group and long-term investor, the Talanx Group has long been committed to responsible corporate governance designed to ensure sustainable value creation.

Sustainability is one of the central pillars of the Group strategy. The sustainability approach is based on the targeted implementation of sustainability and ESG (environmental, social and governance) aspects in the areas of investment, underwriting and operations, and in the Group's corporate social responsibility (CSR) activities.

The Group underlines its strategic sustainability credentials by focusing on incorporating internationally recognised frameworks, initiatives such as the Principles for Responsible Investment (PRI), Principles for Sustainable Insurance (PSI) and the UN Global Compact (UNGC), and (reporting) standards. The Group's sustainability focus is adjusted repeatedly over time to reflect new insights, legal conditions and changes in social perceptions that need to be accommodated.

Further information on how the Talanx Group addresses sustainability can be found in the sustainability statement on page 86 ff.

Compliance

Compliance with applicable laws and internal company guidelines is of fundamental importance for the entire Talanx Group. It requires a strong culture of compliance underpinned by a compliance management system tailored to the Group's specific needs.

The Group's compliance management system is risk-based. The process for identifying compliance risks at the Group level is regularly reviewed and refined to ensure that an up-to-date overview of the risk situation is always available. In addition, the compliance function continuously monitors regulatory and legal developments. The insights gained from risk analysis and from monitoring the legal situation are included in the compliance plan, which is at the heart of a risk-based approach to resource allocation for our Group-wide compliance work. The results of the Group's compliance activities are documented in the annual compliance report, which presents the structure and the many and varied activities of the Talanx Group in this regard. The Board of Management submits the compliance report to the Finance and Audit Committee before the annual financial statements are adopted every year.

Working practices of the Board of Management and the Supervisory Board

Talanx AG's Board of Management and Supervisory Board work together closely and constructively to manage and oversee the Company and the Group as a whole. Both the risks and opportunities for the Company, as well as the environmental and social impact of business activities, are suitably taken into account here.

Board of Management

The Board of Management is directly responsible for managing the Company and defines its goals and strategy with the help of the Supervisory Board. Article 8(1) of the Articles of Association states that the Board of Management shall comprise at least two persons. Beyond that, the Supervisory Board determines the number of members. In accordance with the Supervisory Board's Rules of Procedure, diversity is considered when appointing Board of Management members. Only individuals under the age of 65 are appointed to the Board of Management. The term of office should be selected so that it ends no later than the end of the month at which the member of the Board of Management turns 65 (age limit).

The current composition of the Board of Management and the responsibilities of its members are shown on pages 4f. of the annual report.

The activities of the Board of Management are governed by Rules of Procedure for the Board of Management of Talanx AG issued by the Supervisory Board. These define the areas of responsibility of the individual members of the Board of Management. Notwithstanding their collective responsibility, each member of the Board of Management is individually responsible for the area(s) assigned to them, subject to the resolutions passed by the full Board of Management. However, all members of the Board of Management are obliged by the Rules of Procedure to inform the other members of major undertakings and proposals, transactions and developments in their areas of responsibility. In addition, the Rules of Procedure set out the matters reserved for the full Board of Management and the required voting majorities. The full Board of Management resolves on all cases in which a resolution by the full Board of Management is required by law, the Articles of Association or the Rules of Procedure. An appropriate internal control and risk management system was created to ensure responsible management of risks from business activities.

The Board of Management meets at least once a month. It reports regularly, promptly and comprehensively to the Supervisory Board on performance, the Company's financial position and financial performance, planning and goal achievement, and on current opportunities and risks. The Supervisory Board has set out the Board of Management's information and reporting obligations in more detail in a binding information policy for the Supervisory Board of Talanx AG. Documents required for decisions, and particularly the single-entity financial statements, the consolidated financial statements and the auditors' reports, are forwarded to the members of the Supervisory Board without undue delay after they have been prepared. The Board of Management may only execute certain transactions of special importance or strategic significance with the approval of the Supervisory Board. Some of these approval requirements are prescribed by law, while others are governed by separate rules. For instance, the Supervisory Board's prior approval is required for the following actions and transactions, among others:

- Adoption of strategic principles and targets for the Company and the Group
- Adoption of the annual planning for the Company and the Group
- Any decision to exit the industrial insurance business at domestic Group companies
- The signing, amendment and termination of intercompany agreements
- The acquisition and disposal of parts of undertakings in excess of a certain size

Members of the Board of Management may only perform side-line activities, and in particular may only be appointed to the supervisory boards of non-Group companies, with the consent of the Supervisory Board.

Supervisory Board

The Supervisory Board advises and oversees the Board of Management in its activities. It is also responsible in particular for the appointment and contracts of service of members of the Board of Management, and for examining and approving the single-entity and consolidated financial statements. The Chairman of the Supervisory Board is in regular contact with the Chairman of the Board of Management to discuss the Company's strategy, performance and important transactions. The Supervisory Board has introduced Rules of Procedure for its work: among other things, these govern membership of the Supervisory Board and its internal organisation, and contain general and specific rules for the committees to be formed by the Supervisory Board in accordance with the Rules of Procedure.

The Supervisory Board consists of 16 members. Half of these are elected by the shareholders and half by the Company's staff. The composition of the Supervisory Board and its committees is set out on page 6 ff. of this annual report.

The Supervisory Board holds ordinary meetings regularly, and at least once per quarter. Extraordinary meetings are convened as required. The Finance and Audit Committee and the Personnel Committee also hold regular meetings. The Supervisory Board is quorate when all members have been invited to the meeting or called upon to vote and at least half of the total number of members of which the Supervisory Board is required to be composed take part in the resolution. All decisions are passed by a simple majority, unless another majority is prescribed by law. If a vote is tied and a further vote is held on the same subject, the Chairman shall have a casting vote in the event of a further tie.

The Supervisory Board regularly assesses the effectiveness of its work as a whole and of its committees. The last regularly scheduled self-assessment took place in 2022 and confirmed efficient, effective working practices.

The Supervisory Board has formed the following committees to ensure that it performs its tasks effectively:

- Personnel Committee
- Finance and Audit Committee
- Nomination Committee
- Standing Committee

The Supervisory Board committees prepare the decisions of the Supervisory Board that lie within their respective remits and pass resolutions in lieu of the Supervisory Board to the extent that such powers have been assigned to them by the Rules of Procedure. The committee chairs report regularly to the Supervisory Board on the work of the committee for which they are responsible.

The Finance and Audit Committee (FAC) oversees the financial reporting process, including the effectiveness of the internal control system and of the risk management and internal audit systems. It discusses the quarterly reports and deals with issues relating to compliance, profitability trends at Group companies and the size of the loss reserves. Additionally, it prepares the Supervisory Board's review of the annual financial statements, the management report, the Board of Management's proposal for the appropriation of distributable profit, and the consolidated financial statements and Group management report, including the sustainability statement. In this context, the FAC familiarises itself in detail with the auditors' opinion of the assets, liabilities, financial position and financial performance, and obtains explanations of the effects of any changes in the accounting policies. The FAC is also responsible for monitoring the impartiality of the auditors, and the quality of the audit and of additional services provided by the auditors. It handles auditor selection and submits a recommendation to the Supervisory Board on the proposed resolution on the appointment of the auditors by the Annual General Meeting. The FAC engages the auditors and is responsible for defining the focal points for the audits and for agreeing the auditors' fees. It receives reports from the Board of Management and also, once a year, directly from the heads of the four key functions (compliance, risk management, actuarial and internal audit functions).

The Personnel Committee prepares resolutions by the Supervisory Board relating to members of the Board of Management and passes resolutions in lieu of the Supervisory Board on the content, signature, amendment and termination of contracts of service with them, with the exception of remuneration issues and their implementation. The committee is responsible for granting loans to the persons referred to in sections 89(1) and 115 of the AktG and to persons assigned a similar status in accordance with section 89(3) of the AktG, and for approving contracts with Supervisory Board members in accordance with section 114 of the AktG. It exercises the powers set out in section 112 of the AktG on behalf of the Supervisory Board and ensures long-term succession planning together with the Board of Management. Succession planning is systematic and considers potential candidates for leadership and Board of Management positions in the Group. It is designed with a view to diversity targets and is regularly included on the agenda for, and considered during, committee meetings.

The role of the Nomination Committee is to advise the Supervisory Board on suitable candidates for election to the Supervisory Board to be proposed by the latter to the Annual General Meeting. In this context, the Nomination Committee has drawn up a catalogue of requirements for Supervisory Board members to ensure that the Supervisory Board has the necessary expertise to cover all of the Group's business areas.

The Supervisory Board's Rules of Procedure state that the Supervisory Board may not include more than two former members of the Company's Board of Management, so as to guarantee the independence of Supervisory Board members. Additionally, Supervisory Board members may not hold office on the governing bodies of, or provide advisory services in an individual capacity to, any significant competitors of the Company, Group companies or the Talanx Group. Supervisory Board members ensure that they have sufficient time available to perform their activities and avoid potential conflicts of interest. In accordance with the Rules of Procedure for the Supervisory Board, Supervisory Board members should be less than 72 years old at the time of their election and, as a rule, they should belong to the Supervisory Board for a maximum of three consecutive periods of office. The period of office that begun in 2018 (or in 2019 in the case of the employee representatives) is the first period of office to be taken into account in this context.

The Supervisory Board should have what it considers to be an appropriate number of independent members among its shareholder representatives. Both the Company and its Board of Management and the controlling shareholder consider an appropriate number to be at least two independent members. At any rate, these two individuals are Mr Dirk Lohmann and Dr Sandra Reich. In the Company's opinion, all other currently serving shareholder representatives are to be considered as independent as defined in this way.

Targets in accordance with sections 76(4) and 111(5) of the AktG; statutory quota for the Board of Management in accordance with section 76(3a) AktG and for the Supervisory Board in accordance with section 96(2) of the AktG

A minimum target quota for women on Talanx AG's Supervisory Board of 30% has been defined, in line with the statutory requirements. Talanx AG's Supervisory Board comprises more than 30% women, both when taken as a whole and when broken down by employee and shareholder representatives.

The Supervisory Board set a target for the share of women on the Board of Management of at least 14% (at least one of seven members) for the period from 1 July 2022 to 30 June 2027. There is currently one woman on Talanx AG's Board of Management. This also achieved the gender-specific minimum quota for the Board of Management in accordance with section 76(3a) AktG. A target of 0% has been set for tier 1 executives reporting directly to the Board of Management and 25% for tier 2 executives. The 0% target for tier 1 executives reporting directly to the Board of Management is solely because there is only one person in this category at Talanx AG following the transfer of the vast majority of employees to HDI AG.

Diversity policy – targets for Board of Management and Supervisory Board composition and implementation status

Talanx AG is also guided by the principle of diversity when making appointments to its Board of Management and Supervisory Board. The broad-based skills, knowledge and relevant experience offered by the members of its Board of Management and Supervisory Board permit a nuanced assessment to be made of the opportunities and risks facing the Company in its business operations, and balanced and professional actions and decisions to be taken on that basis. Diversity is appropriately considered when appointing Board of Management and Supervisory Board members. Factors include, in particular, candidates' age, gender, education and professional experience, as well as their specialist skills and personal attributes (expertise). All new appointments to the Board of Management or Supervisory Board are assessed to determine whether they also serve to implement the diversity policy, so as to ensure that the latter is implemented consistently. At present, the Supervisory Board has four female members. Three of them are members of the Finance and Audit Committee. The Personnel Committee and the Standing Committee each have one female member. There is one woman on the Board of Management.

Appointments to the Supervisory Board should ensure that, as a whole, its members possess the knowledge, skills and specialist experience required to duly perform their duties. The composition of the Supervisory Board should ensure that the latter can provide qualified oversight of and advice to the Board of Management of this international, highly diversified insurance group, and should preserve the Group's good reputation in the public eye. In addition to the professional expertise in the areas of investment, underwriting, accounting, auditing and internal modelling required by supervisory law, an international perspective and knowledge of human resources, risk management, IT/digitalisation, compliance and sustainability were taken into account in the reporting period. The enhanced professional requirements for Supervisory Board members introduced by the German Act Strengthening Financial Market Integrity (FISG), which entered into force on 1 July 2021, have also been met. Particular attention is paid to the integrity, personality, motivation, professionalism and independence of the individuals put forward for election. The objective is for the Supervisory Board as a whole to possess all knowledge and experience that is deemed to be material in light of the Talanx Group's activities. In view of Talanx's international focus, it is ensured that the Supervisory Board has a sufficient number of members with many years of international experience. All shareholder representatives on the Supervisory Board have many years of international experience thanks to their current or previous positions as board of management members/CEOs or similar executive roles in international companies or organisations. The Supervisory Board believes that the international dimension is sufficiently taken into consideration. The goal is to maintain the Board's current international makeup.

Based on the targets for its composition, the Talanx AG Supervisory Board has prepared the following overview of its qualifications:

QUALIFICATIONS OF THE MEMBERS OF TALANX AG'S SUPERVISORY BOARD

		Herbert Haas[1,2]	Jutta Hammer	Angela Titzrath[1,2]	Natalie Bani Ardalan	Rainer-Karl Bock-Wehr	Dr Joachim Brenk	Sebastian Gascard
Length of service	Member since	2018	2011	2018	2024	2019	2023	2019
Individual suitability		✓	✓	✓	✓	✓	✓	✓
Diversity	Gender	Male	Female	Female	Female	Male	Male	Male
	Year of birth	1954	1968	1966	1972	1960	1961	1964
	Nationality	German	German	German	German/ British	German	German	German

	Qualifications	Business administration graduate (Dipl.-Kaufmann)	Insurance broker (Versicherungskauffrau)	Graduate in economics (Dipl.-Ökonomin)	Degree in English and French (teaching degree for secondary schools)	Graduate in law (Jurist)	Dr. Ing./ Mechanical engineer (Dipl.-Ingenieur)	Graduate in law (Jurist)/trained banker (Bankkaufmann)
Expertise/professional suitability[4]	Investment	✓		✓			✓	✓
	Underwriting	✓	✓	✓	✓	✓		✓
	Accounting	✓		✓	✓		✓	✓
	Auditing	✓		✓			✓	✓
	Internal model	✓	✓	✓		✓	✓	
	Internationality	✓		✓	✓	✓	✓	✓
	Compliance	✓	✓	✓	✓	✓	✓	✓
	Risk management	✓	✓	✓	✓		✓	
	Personnel		✓	✓	✓	✓	✓	✓
	IT/digital transformation	✓	✓	✓	✓		✓	
	Sustainability/ESG	✓	✓	✓	✓			✓

[1] Auditing expertise within the meaning of section 100(5) of the AktG ("financial expert").
[2] Auditing expertise within the meaning of section 100(5) of the AktG ("financial expert").
[3] ESG (environmental, social and governance) expertise.
[4] Assessment based on self-evaluation (A = in-depth knowledge, B = strong knowledge, C = satisfactory knowledge, D = sufficient knowledge, E = no or little knowledge), ✓ if rated A or B.

Takeover-related disclosures

Structure of subscribed capital

The structure of the subscribed capital is explained in Note 16 of the Notes to the consolidated balance sheet.

Restrictions on voting rights and on the transfer of shares

The voting rights for shares are excluded by law in the cases set out in section 136 of the AktG. Beyond that, there are no restrictions on voting rights or the transfer of shares currently in force.

Direct and indirect interests in the share capital exceeding 10% of the voting rights

HDI Haftpflichtverband der Deutschen Industrie V. a. G., HDI-Platz 1, 30659 Hannover, holds 76.7% of the voting rights in the Company.

Shares conveying special control rights

There are no shares conveying special control rights.

System of voting rights control where employees are shareholders

No employees are shareholders within the meaning of section 315a(1) no. 5 of the HGB.

Dr Christof Günther	Dr Hermann Jung[1,2]	Dirk Lohmann	Christoph Meister	Dr Sandra Reich[1,2,3]	Matthias Rickel	Prof Dr Jens Schubert[3]	Patrick Seidel	Norbert Steiner[3]
2023	2013	2013	2014	2023	2024	2014	2024	2013
✔	✔	✔	✔	✔	✔	✔	✔	✔
Male	Male	Male	Male	Female	Male	Male	Male	Male
1969	1955	1958	1965	1977	1966	1969	1984	1954
German	German	German/ Swiss	German	German	German	German	German/ British	German
Dr. rer. pol./ Graduate industrial engineer/ electrical engineer (Dr. rer. pol./ Dipl.-Wirtschafts-ingenieur/ Elektromaschi-nenbauer)	Dr. rer. pol./ Graduate industrial engineer (Dr. rer. pol./Dipl.-Wirtschafts-ingenieur)	Business administration graduate (Dipl.-Kauf-mann)/politics and economics graduate (Politik- und Volkswirt)	Graduate in law (Jurist)	Dr. jur./graduate in law (Juristin)/ trained banker (Bankkauffrau)	Graduate in law/ insurance broker (Jurist/ Versicherungs-kaufmann)	Graduate in law (Jurist)	Graduate in business management (B.A., MBA)	Graduate in law (Jurist)
	✔	✔	✔	✔			✔	✔
✔	✔	✔		✔	✔		✔	
	✔	✔		✔			✔	✔
✔	✔	✔		✔				✔
✔	✔	✔	✔	✔			✔	
✔	✔	✔		✔		✔	✔	✔
✔	✔	✔	✔	✔	✔	✔		✔
✔	✔	✔		✔		✔	✔	
✔	✔		✔	✔	✔	✔	✔	✔
✔	✔		✔	✔	✔			
✔		✔	✔	✔		✔		✔

Statutory requirements and provisions of the Articles of Association governing the appointment and dismissal of members of the Board of Management and amendments to the Articles of Association

The appointment and dismissal of members of Talanx AG's Board of Management are regulated in sections 84 and 85 of the AktG, section 31 of the German Co-determination Act (MitbestG) and section 5 of the Supervisory Board's Rules of Procedure.

The Supervisory Board initially appoints the members of the Board of Management for a maximum of three years. Members can subsequently be reappointed for a maximum of five years in each case. As the MitbestG applies to Talanx AG, members of the Board of Management must be appointed in an initial round of voting by a majority of two-thirds of the Supervisory Board members' votes. If such a majority is not obtained, section 31(3) of the MitbestG stipulates that appointments can be made in a second round of voting on the basis of a simple majority of the members' votes. If the necessary majority is still not obtained, a third round of voting is held. In this case, a simple majority of votes is again required, but the Chairman of the Supervisory Board has a casting vote in accordance with section 31(4) of the MitbestG.

German supervisory law requires members of the Board of Management to be reliable and professionally qualified to run an insurance company (section 24(1) sentence 1 of the German Insurance Supervision Act (VAG)). Persons who are already senior executives of two insurance companies, pension funds, insurance holding companies or special purpose entities for insurance cannot be appointed as members of the Board of Management. However, the supervisory authority can permit more offices to be held if the companies concerned belong to the same insurance group or group of companies (section 24(3) in conjunction with section 293(1) of the VAG). The Federal Financial Supervisory Authority (BaFin) must be notified of plans to appoint Board of Management members (section 47 no. 1 in conjunction with section 293(1) of the VAG).

The Annual General Meeting adopts amendments to the Articles of Association (section 179 of the AktG). Unless otherwise mandated by law, resolutions by the Annual General Meeting are passed by a simple majority of votes cast and, if a majority of the capital is required, by a majority of the share capital represented at the time the resolution is passed (article 16(2) of the Articles of Association). A larger majority is required by law, for example, in the case of a change to the corporate purpose (section 179(2) of the AktG). According to section 179(1) sentence 2 of the AktG in conjunction with article 11 of Talanx AG's Articles of Association, the Supervisory Board can make amendments to the Articles of Association that affect the wording only.

Powers of the Board of Management to issue or repurchase shares

The powers of the Board of Management to issue and repurchase shares are regulated by the Company's Articles of Association and by sections 71ff. of the AktG. In this context, the Company's Annual General Meeting on 5 May 2022 authorised the Board of Management in accordance with section 71(1) no. 8 of the AktG to acquire treasury shares, including by means of derivatives, for a period of five years, i.e. up to 4 May 2027, under certain conditions.

The Annual General Meeting on 5 May 2022 authorised the Board of Management, subject to the approval of the Supervisory Board, to issue registered bonds with a total nominal value of up to EUR 750 million on one or more occasions in the period up to 4 May 2027, and to impose contingent conversion obligations for no-par value shares of Talanx AG on the creditors of the bonds, without granting them rights of exchange or pre-emptive rights. The Board of Management may disapply pre-emptive rights subject to Supervisory Board approval. The share capital was increased conditionally by up to EUR 93,750,000.00 at the same Annual General Meeting (contingent capital I) in order to service the registered bonds. The Annual General Meeting on 5 May 2022 also authorised the Board of Management, subject to the approval of the Supervisory Board, to issue bonds (convertible bonds and bonds with warrants), participating bonds and/or profit participation rights, each of which can also be combined with conversion rights or warrants or (contingent) conversion obligations, with a total nominal value of up to EUR 500 million on one or more occasions in the period up to 4 May 2027. The Board of Management may disapply pre-emptive rights for certain specified purposes, subject to the approval of the Supervisory Board. The share capital was increased contingently by up to EUR 62,500,000.00 (contingent capital II) at the same Annual General Meeting in order to service the above bonds, participating bonds and/or profit participation rights. The Annual General Meeting on 5 May 2022 resolved to renew the authorised capital in accordance with article 7(1) of Talanx AG's Articles of Association and to insert a new article 7(1), which authorises the Board of Management, subject to the approval of the Supervisory Board, to increase the share capital on one or more occasions in the period up to 4 May 2027 by a maximum of EUR 157,874,068.25 by issuing new no-par value registered shares in exchange for cash or non-cash contributions. EUR 2,186,486.25 of this may be used to issue employee shares, subject to the approval of the Supervisory Board. Shareholders' pre-emptive rights may be suspended in the case of cash capital increases for certain specified purposes, subject to the approval of the Supervisory Board. They may be suspended in the case of non-cash capital increases, also subject to the approval of the Supervisory Board, where this is in the Company's overriding interest. The amendment to the Articles of Association took effect on its entry in the commercial register on 2 June 2022.

Material agreements of Talanx AG subject to change of control clauses

The distribution agreement with Deutsche Bank AG, norisbank GmbH and Postbank sales subsidiaries dated 26 November 2020 contains a clause granting the banking partners a right of termination if one of the HDI parties experiences a change of control and the contractual obligations as an insurer were not transferred to another HDI company. At the same time, the contract grants HDI a right of termination in the event of a change of control at the banking partner. Change of control is defined as when a third company that is not affiliated with the parties directly or indirectly acquires control over one of the parties to the contract.

Compensation arrangements in the event of a takeover bid

No compensation arrangements are in place at the Company for members of the Board of Management or employees in the event of a takeover bid.

Report on post-balance sheet date events

Events that may influence our assets, liabilities, financial position and financial performance are described in the report on expected developments and opportunities, as well as in the Events after the end of the reporting period section in the Notes.

Risk report

Risk strategy

Our risk strategy is derived from our Group strategy. The main aims of risk management are to guarantee our predefined strategic risk position while complying with the risk budget. Our strategic risk position is defined as follows:

- The Group's investment risk is capped at a maximum of 50% of the total risk capital requirement.
- The economic capital adequacy ratio is at least 200%.
- The target corridor for the Solvency 2 ratio is between 150% and 200%.

In addition, Talanx's risk strategy takes the supervisory requirements into account. It is reviewed annually and adjusted as necessary.

Talanx Enterprise Risk Model (TERM)

TERM is an internal model for managing the risk kernel, i.e. the Talanx Group. We have expanded our model to also cover HDI V. a. G. for regulatory purposes. At Group level, modelling covers all risk categories.

The basis of consolidation used in the internal model corresponds to that in the Group annual report. There is one exception to this: the solvency capital requirements for other financial sectors, in particular our occupational pension scheme providers, are still calculated in accordance with the applicable sector requirements.

The results of the model run as at 31 December 2024 are not yet available. The Group has set a target corridor of 150% to 200% for its solvency ratio before adjustment for approved transitional measures. We will publish the actual ratio in May 2025 in the Solvency and Financial Condition Report as at 31 December 2024. We expect to meet or exceed the targets we have set ourselves.

Business organisation

Supervisory law requires the Group and all its insurance and reinsurance companies to have a proper, effective business organisation in place that ensures sound, prudent business management. The following four key functions have been established throughout the Group in line with this:

- An independent risk controlling function (risk management function)
- The compliance function
- The internal audit function
- The actuarial function

Talanx AG's Board of Management has set out policy guidelines defining the principles, tasks, processes and reporting obligations for each of these key functions. These guidelines also specify that the key functions rank equally and have equal rights. When performing their duties, function heads are subject only to the – non-technical – instructions issued by the Board of Management. They have all requisite rights to obtain information, and report directly to the Board of Management.

The heads of the key functions, like the members of the Board of Management and of the Supervisory Board, have to meet special supervisory requirements as regards their professional qualifications and personal characteristics.

Risk management system

Structure of the risk management system

The risk management system represents the sum of all measures in place for identifying, analysing, assessing, communicating, monitoring and managing risks and opportunities. The Group manages its risk management system along the lines of an enterprise risk management system. The system's design and structure draw on the ISO 31000 standard for risk management.

We use our internal model as the starting point for deriving a risk budget and a limit and threshold system that is designed to ensure our risk-bearing capacity. This system is suitable for assessing the risks to which the Group is exposed (including risks associated with participating interests) both individually and in the aggregate.

The risk budget represents a contingent risk potential that reflects the Board of Management's risk appetite as derived from the company's goals and targets. In addition, it takes the divisions' risk-bearing capacity into account.

The Group's risk management function ensures the risk management system is consistently implemented by directly integrating the risk management units in the divisions and at subsidiaries into its own risk management activities. It does this using binding Group guidelines and by participating in the relevant bodies and/or decision-making and escalation processes.

The following table provides an overview of the tasks performed by the main bodies and management staff involved in the risk management process.

RISK MANAGEMENT SYSTEM

Managers and organisational units	Key roles in the Risk Management System
Supervisory Board	■ Advises and oversees the Board of Management in its management of the Company, including with respect to risk strategy and risk management
Board of Management	■ Overall responsibility for the effectiveness of risk management ■ Defines, approves and conducts an annual review of the Group strategy and risk strategy ■ Defines material limits and thresholds ■ Ensures the early warning system is in place ■ Monitors the Group's risk-bearing capacity ■ Defines the central strategic risk input parameters ■ Specifies consistent Group risk management standards ■ Monitors the risk profile on an ongoing basis
Executive Risk Committee (ERC)	■ Preliminary examination of material risk management matters that require a Board of Management resolution ■ Manages, coordinates and prioritises the activities of the service centre with services in the area of risk management ■ Approves guidelines and other frameworks in line with the Group frameworks for the governance of the Group's internal model, to the extent that these do not require the approval of the full Board of Management ■ Proposes and monitors the key limit and threshold values as well as recommends how to limit risks and deal with any breaches of limits in accordance with the escalation process.
Chief Risk Officer (CRO)	■ Responsible for holistic monitoring (identification, assessment and analysis, monitoring, control and reporting) across divisions of all asset and liability risks that are material from a Group perspective ■ Responsible for the Group's internal model
Central Group Risk Management	■ An independent risk controlling function at Group level, i.e. holistic monitoring across divisions of all asset and liability risks that are material from a Group perspective ■ Develops methods, standards and processes for identification, assessment and analysis as well as monitoring and controlling risk ■ Reporting on identified and analysed risks
Local risk management functions	■ An independent risk controlling function at division and subsidiary level, i.e. holistic monitoring (identification, assessment and analysis, monitoring, control and reporting) of all asset and liability risks that are material from a local perspective ■ Develops methods, standards and processes for the assessment and monitoring of risk, especially for the solo models ■ Reporting on identified and analysed risks at the division and subsidiary level

Key aspects of the Group's risk management organisation are defined in binding internal guidelines and specific regulations. We ensure that our risk management system is up to date by reviewing the guidelines each year. In accordance with the principle of "centralised strategic management and decentralised divisional responsibility", this framework is further specified in line with requirements at division and subsidiary level.

Risk management process and communication

We use key risk metrics and risk surveys to identify the risks to which our Group is exposed. We systematically capture risks that have been assessed qualitatively using a Group-wide risk capture system. Risks spanning multiple divisions, such as compliance risks, are addressed by involving the responsible experts from the divisions concerned. Product risks are identified at an early stage as part of our new products process.

An overall risk assessment is also performed during modelling and validation of our internal model. The latter is key to ensuring that diversification effects are presented adequately.

Solvency risk analysis and risk measurement for regulatory purposes is performed using our internal model. In addition, we use a series of additional models for the operational management of certain risk categories. The model runs performed here are generally more frequent and more granular when it comes to modelling the underlying financial instruments.

Risk assessment includes an holistic appraisal of the information produced during risk analysis, so as to ensure that the Board of Management can make risk-informed decisions. In accordance with our risk management approach, we take into account the model uncertainties inherent in the use of models, including uncertainties arising from partial or missing information about events, their consequences or their probability of occurrence.

Risk reporting

Risk reporting aims to provide the Board of Management and the Supervisory Board with systematic, timely information about risks and their potential effects, to strengthen the risk culture, and to ensure smooth internal communication about all material risks so as to provide a basis for effective decision-making.

The Solvency and Financial Condition Report, supervisory reporting and our Own Risk and Solvency Assessment are key items in the reporting cascade. These core reports are produced annually. In addition, we produce a range of short-term reporting formats allowing up-to-date information to be provided on the latest risk developments.

The content and frequency with which these reports are published are set out in guidelines, among other places. The documentation and the reporting process are regularly reviewed by the Group Auditing department and the supervisory authorities.

Material external factors that affect risk management

In 2024, the global economy continued to cool slightly in an environment of restrictive monetary policy, elections and changes of government in numerous countries, as well as ongoing geopolitical conflicts. We assume that this trend will continue in 2025.

The main downside risk to the global economic outlook is the future trade policy of the United States. Given the difficulty in predicting US policy, there are also potential risks with regard to various geopolitical flashpoints (including Greenland, Israel, Ukraine and China/ Taiwan).

To add to this, many countries (including France and Germany) are facing (potentially) more unstable coalition governments. A further downside risk is that a resurgence in inflation could prompt central banks to end their interest-rate cut cycles and consider raising base rates again in the course of 2025.

Furthermore, the question of the sustainability of the debt, which has grown considerably in recent years, is not only likely to come up in the United States this year. In addition, a number of structural risks remain, including climate change, the stability of the Chinese economy and demographic change. For further details, please refer to the report on expected developments and on opportunities.

All of the aspects mentioned can affect the Talanx Group in a variety of ways, for example through their impact on global trade and oil prices as well as the associated macroeconomic inflation.

The Group's direct exposure in Russia and Ukraine is relatively low in terms of both underwriting and investments. Specific companies of the Talanx Group are affected in different ways in different lines of business. While most general insurance policies contain a war exclusion clause, explicit war policies are offered in certain lines. The Group has recently been able to settle claims, in particular in the aviation sector, mainly by reaching out-of-court settlements with claimants. Nevertheless, there are still related claims outstanding at the present time. It is therefore still not possible to provide a final estimate of the total losses. As things stand at present, we believe that the risk provisions recognised in the balance sheet as at 31 December 2024 for these claims are sufficient. In the shipping line of business, there is limited exposure to war.

Major losses resulting from the current conflict in the region around Israel have not yet been reported. In particular, risks can arise as a result of unforeseeable downstream effects or further escalations. For example, declines in premiums, losses from cyberattacks or business interruptions could occur in connection with supply chain risks.

Our Group-wide risk management is based on forward-looking analysis, as part of which various scenarios are regularly assessed, including escalations in geopolitical conflicts and our potential response to these developments. This also includes analyses of the resulting change in cyber threat situation, among other measures.

The COVID-19 pandemic, the war in Ukraine and the resulting challenges in the supply of energy and raw materials have led to a significant increase in macroeconomic inflation in recent years. In 2024, macroeconomic inflation, as measured by consumer prices, was almost back to normal. A distinction should be drawn here between the increase in macroeconomic inflation and the claims and cost inflation relevant to the formation of reserves. The Talanx Group's procedures for forming reserves take into account, if necessary, possible hyperinflation in claims and cost inflation based on inflation forecasts, so that the recognised reserves are currently sufficient to compensate for inflation. The uncertainties in the loss reserves increase with the underlying assumptions regarding future inflation, which is often influenced by election and geopolitical decisions. We monitored drivers of inflation during the course of business and reduced these, in part by accounting for them in premium calculations, and by using index clauses and sliding-scale commissions. We also hedge inflation risks partly on the basis of inflation-indexed securities.

Real estate risks are also significant to us. Lower demand and higher vacancy rates led to a decline in the valuation of, in particular, office property in 2024. We spread the associated real estate risks through broadly diversified investments. We have taken into account uncertainties regarding the future development of individual properties in the valuations as at the end of the reporting period.

In 2024, natural disaster events in various regions of the world impacted the Group. In the reporting period, the hurricanes Milton and Helene and the flood damage in Eastern Europe, Brazil and Dubai were particularly noteworthy.

Natural disasters are inextricably linked to climate change. The associated effects pose a major challenge for risk management. We used both external and internal risk models for modelling the impact of catastrophes. Stress tests as well as scenario and sensitivity analyses are used to complete the monitoring of risks resulting from natural disasters. For further information, refer to the sustainability statement.

The effects of supervisory requirements

Regulatory developments in 2024 were extremely dynamic at the international, European and national levels.

From the Group's perspective, a particular focus was the revision of the Solvency 2 Directive by the trilogue parties (the European Commission, the Council of the European Union and the European Parliament). After the European Parliament adopted the final version of the Directive amending the Solvency 2 Directive in October 2024 and formal approval by the Ecofin Council (Economic and Financial Affairs) in November 2024, the amending directive was published in the Official Journal of the European Union on 8 January 2025. The amending directive will thus come into force on 28 January 2025; after a 24-month period for transposition into national law, it will become applicable on 30 January 2027. The specific details of certain aspects of the amending directive will be set out by the European Insurance and Occupational Pensions Authority (EIOPA) in regulatory technical standards and implementing technical standards. These are expected to be published in their final form after a three-month consultation period roughly one year before the amendment comes into force. The main changes resulting from the Solvency 2 review process include changes to yield curves and the way risk margins and volatility adjustments are calculated, the introduction of simplified and proportionate rules for small and non-complex undertakings, the requirement for more thorough integration of and more detailed reporting on sustainability-related risks, and the expansion of macroprudential supervision (e.g. by introducing liquidity risk management plans).

Developments surrounding the Insurance Recovery and Resolution Directive (IRRD) were also closely monitored in the reporting period. EIOPA has also been tasked with developing guidelines and regulatory and implementing technical standards to clarify the IRRD requirements. These are to be put out for consultation in 2025 and 2026; in some cases, less than twelve months will elapse between the scheduled publication of the final versions and the date they come into force.

In view of the date it comes into force of 17 January 2025, the Group also pushed ahead with implementing the requirements of the Digital Operational Resilience Act (DORA). The main focus of their implementation is on internal processes in connection with information security, business continuity and outsourcing management.

Furthermore, the AI Act entered into force on 2 August 2024. Application of the different requirements will gradually become mandatory. For example, regulations on prohibited practices in the AI sector will initially apply from 2 February 2025. In this case as well, the requirements are being implemented step by step within the Talanx Group.

In the area of sustainability, the Group has made preparations for the publication of its first report in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

At the global level, the International Association of Insurance Supervisors (IAIS) has adopted the Insurance Capital Standard (ICS) as the global minimum capital requirement and set out a broad timeline for reviewing its implementation. It is not yet clear whether European companies will be able to apply Solvency 2 as a direct implementation of the standard.

Germany's Minimum Taxation Directive Implementation Act (MinStG) came into force on 1 January 2024. This requires the Group to calculate an effective tax rate and, if applicable, a top-up tax for each jurisdiction in which a Group company is resident, for all Group companies in that jurisdiction. This increases the tax expense of the Group companies to the level of the top-level parent company (HDI V. a. G.) up to a minimum tax rate of 15%.

The Group is also subject to a range of other supervisory requirements. Capital must therefore be held for the risks incurred, which is calculated using our internal risk model approved by the supervisory authorities. In 2024, the Germany financial supervisory authority BaFin required German life insurance companies to recalculate the transitional deduction for the transitional measure on technical provisions in accordance with section 352(3) of the German Insurance Supervision Act (VAG). This recalculation has reduced the transitional measure to zero. As our internal management is based on the coverage ratio before the application of transitional measures, the impact of this is mainly on the regulatory view.

The consolidated minimum capital requirements is the lower limit of the Group solvency capital requirement from a regulatory perspective. The minimum capital requirement of the HDI Group is formed from the sum of the company-specific minimum capital requirements (MCR), which amounts to a maximum of 45% and at least 25% of the solvency capital requirement for companies domiciled in the European Economic Area (EEA). Companies that have approval for the (partial) internal model at solo level are subject to a cap based on the (partial) internal model. For the other EEA companies, the cap is implemented on the basis of the standard formula. For companies domiciled outside the European Economic Area, the local minimum capital requirement is applied.

Internal control system

We consider the internal control system (ICS) an integral aspect of corporate governance. It combines all monitoring measures that are integrated in and independent of processes (internal controls and organised safeguards) that ensure that the organisation and the processes work smoothly. It is used at all levels of the Group and focuses on process risks and the controls in place to monitor these. In this context, a Group guideline forms the basis for a consistent ICS across the Group.

Accounting-related internal control system and risk management system

The key requirements regarding the consolidated financial reporting process that must be met by the internal control system (ICS) and the risk management system that have been implemented at Talanx AG can be described as follows:

- There is a clear separation of the functions involved in the financial reporting process.
- The financial systems used are protected against unauthorized access at the IT level. Where possible, standard security software is used for the systems concerned.
- The processes, controls, working instructions and guidelines for the accounting-related internal control and risk management systems are recorded in the overarching ICS documentation. They are reviewed as and when required, but at least once a year, for appropriateness and to determine whether any changes are necessary.

Financial reporting must comply with International Financial Reporting Standards (IFRSs). To ensure that this is the case, controls have been implemented as part of the process of preparing the consolidated financial statements to ensure that the data in the financial statements are complete and accurate. Potential risks arising from the Group financial reporting process are identified and assessed by Group Accounting and included in the Group's risk management process.

The Group's internal IFRS accounting policies are set out in an accounting manual. The latter ensures that the International Financial Reporting Standards are applied consistently and correctly throughout the Group, and is regularly updated and amended to reflect changing legal requirements. Group Accounting ensures compliance with the requirements.

We use an IT tool featuring standardised reporting and consolidation rules to prepare the consolidated financial statements. Intragroup transactions are examined in an upstream reconciliation process and eliminated where necessary. Written instructions ensure that appropriate procedures are followed here. An approval process for manual accounting entries ensures that the principle of dual control is applied to items that exceed certain value limits.

The subsidiaries are responsible for ensuring compliance with the Group's accounting policies and for proper and timely performance and operation of their accounting-related processes and systems. A subject-related package review, which is performed and documented by Group Accounting employees, has been implemented as part of the process of preparing the consolidated financial statements.

Effectiveness of risk management and the ICS [1]

The appropriateness and effectiveness of the ICS and risk management are ensured on an ongoing basis, for example through a number of quality assurance measures and the internal audit function. The entire governance and risk management system is functional, appropriate and developed at a high level on an ongoing basis. We are therefore able to identify our risks in a timely manner, and to manage them effectively.

[1] The information in this section has not been audited.

Risk profile

The following risks, listed in order of importance, shape the Group's overall risk profile. Risks in connection with capital investment and underwriting risks in property/casualty insurance and life insurance contribute greatly to the overall risk. Operational risk and credit risk contribute to a lesser extent to those already mentioned.

Diversification is particularly important for managing our overall risk. We are broadly based both geographically and in terms of our business offering. As a result, we consider ourselves to be well positioned to handle even an accumulated materialisation of risks.

This report has been prepared in accordance with German Accounting Standard (GAS) 20, which serves as the basis for the following presentation and categorisation of our risks:

- Underwriting risk
- Default risk
- Investment risks
- Operational risks
- Other material risks

Risk management also specifically looks at sustainability risks. These risks are events or conditions related to the environment, society or corporate governance that could have a real or potential negative impact on the company's net assets, financial position and results of operations and reputation. Sustainability risks are not a risk category of their own and can affect all the risk categories we analyse. They can have an impact on all areas of our business activities in the form of physical risks and transitional risks in connection with changeover processes.

Underwriting risks

Underwriting risk refers to the danger of an unexpected disadvantageous change in the value of the insurance liabilities in the solvency balance sheet. Such a deviation may be due to random chance, error or a change in the assumptions underlying the calculation (e.g. biometrics, loss amounts, pay-out duration or costs of loss adjustment).

Underwriting risks in property/casualty insurance

Reserve risk

Reserve risk refers to unexpected disadvantageous changes in the value of insurance liabilities that have an effect on the amount of the loss run-off. Key reasons for these changes include the loss amount, the pay-out duration and the loss adjustment costs. Reserve risk is used to take loss events occurring before the reporting date into account.

Run-off triangles are tools used within the Group to review our assumptions. These triangles show how reserves change over time as claims are settled and the reserves required to be recognised are recalculated as at each reporting date. Adequacy is monitored using actuarial methods (see "Notes to the consolidated balance sheet – equity and liabilities", Note 18). In addition, we engage external actuarial and consulting firms every year to validate the quality of our actuarial calculations of the adequacy of the reserves.

One of the ways in which our subsidiary Hannover Rück SE partially hedges inflation risk is by including securities offering inflation-linked coupons and repayments in its portfolio. Inflation risk stems in particular from the possibility that, due to inflation, liabilities (e.g. loss reserves) may not change as assumed when the reserves were recognised. The financial instruments help protect portions of these loss reserves against inflation risk. Further information can be found in the "Notes to the consolidated balance sheet – assets" section, under "Derivative financial instruments and hedge accounting".

In addition, external actuaries regularly analyse the effects of the expected future change in inflation on the Primary Insurance Group, so that the impact of an unexpected change in inflation on the Group's loss reserves can be assessed in more detail.

Furthermore, all the property/casualty insurance reserves were subjected to a stress test and the impact on basic own funds under Solvency 2 was analysed. An increase in provisions of 5% is assumed, for example, in anticipation of higher inflation. A conservative calculation method results in a change to basic own funds of EUR –2,139 (–1,854) million.

Premium risk

The term premium risk describes unexpected disadvantageous changes in insurance liabilities. These arise from fluctuations in the occurrence, frequency and severity of insured events. In contrast to reserve risk, premium risk includes any loss events (excluding natural disasters) that occur after the reporting date. Premium risk is determined by comparing expected premium income with future loss events.

In addition, the sensitivity of Solvency 2 basic own funds is determined in relation to the premium risk (excluding nat cat). In this case, a 50-year event is considered for large and basic losses. This stress test resulted in changes to basic own funds of EUR –2,168 (–2,012) million before and EUR –1,452 (–1,375) million after risk mitigation measures.

The Group largely manages and reduces the various components of premium risk using claims analyses, actuarial modelling, selective underwriting, specialist audits and regular monitoring of the claims experience, as well as by appropriate reinsurance cover. Please see Note 18 of the Notes to the consolidated financial statements for details of the run-off triangles.

One way in which we address the premium risk that we have assumed is by taking out appropriate reinsurance cover.

Large losses are losses that exceed a defined amount or meet criteria that make them particularly significant for property/casualty insurance. The following table shows the large losses for the financial year, broken down into natural catastrophes, other large losses, in absolute figures and as a percentage of the Group's combined ratio:

LARGE LOSSES (NET) IN THE FINANCIAL YEAR [1]

EUR million	2024	2023
Large-loss budget	2,435	2,200
Large losses (net)	2,199	2,168
of which natural catastrophes	1,611	1,611
of which other large losses	588	557
%		
Combined ratio for property/casualty primary insurance and reinsurance	90.3	94.3
of which large losses (net)	5.5	6.2

[1] The Group's share of natural catastrophes and other large losses in excess of EUR 10 million gross, nominal values (undiscounted).

The loss ratio is distributed across the segments as follows:

LOSS RATIO BY SEGMENT [1]

%	2024	2023	2022
Corporate & Specialty	73.5	74.5	76.1
Retail International	65.3	67.8	72.2
Retail Germany	64.6	65.5	63.1
Property/Casualty Reinsurance	82.9	90.4	90.3
Group Operations	96.6	97.1	63.1
Total property/ casualty insurance	**76.4**	**81.0**	**82.6**

[1] insurance service expenses (net) divided by insurance revenue (gross).

Concentration risk

In non-life insurance, concentration risk mainly results from geographical concentrations, reinsurance and investment clusters, and insured nat cat risks and man-made disasters.

Natural catastrophe risk deals with future loss events in line with premium risk. The extremely high potential impact of loss events caused by natural disasters mean that these are addressed separately. Based on scenarios specified throughout the Group, the natural catastrophe risk is derived primarily with the help of licensed provider models. The units model losses for events in different hazard regions. The results of the units are then aggregated at group level and analysed for each accumulation scenario.

ACCUMULATION SCENARIOS INCLUDING NON-CONTROLLING INTERESTS, EFFECT ON OWN FUNDS [1]

EUR million	Gross	Net
2024		
250-year loss Hurricane US	–5,949	–3,130
250-year loss Flood Europe	–5,538	–2,484
250-year loss Earthquake US West Coast	–4,419	–2,236
250-year loss Winterstorm Europe	–3,706	–1,977
250-year loss Earthquake Chile	–7,103	–2,003
250-year loss Earthquake Europe	–2,631	–1,630
250-year loss Earthquake Japan	–2,601	–1,264
2023		
250-year loss Hurricane US	–4,871	–2,449
250-year loss Flood Europe	–4,588	–2,069
250-year loss Earthquake US West Coast	–3,766	–1,707
250-year loss Winterstorm Europe	–3,544	–1,588
250-year loss Earthquake Chile	–6,219	–1,547
250-year loss Earthquake Europe	–3,048	–1,407
250-year loss Earthquake Japan	–2,415	–1,133

[1] Actual developments in the area of natural hazards may differ from model assumptions. The 250-year loss shown is calibrated on the basis of net values. The associated gross values may correspond to a different loss frequency. Information not audited by the independent auditor.

We also regularly test other accumulation scenarios. Peak exposures from accumulation risks are covered by taking out specific reinsurance cover.

Concentration risk is capped by limiting the maximum permissible natural catastrophe risk by hazard region at Group and division level. The risk modelling and business planning processes work together closely to achieve this.

Loss expectations are modelled during business planning using the large loss budget, among other things. Net large losses in the financial year amounting to EUR 2,199 (2,168) million included, in particular, losses in connection with Hurricane Milton in the United States (net loss: EUR 290 million) and flooding in Eastern Europe (net loss: EUR 254 million).

The distribution of the provision for outstanding claims from property/casualty insurers by region is as follows:

LIABILITY FOR INCURRED CLAIMS [1]

EUR million	Gross	Ceded	Net [2]
31.12.2024			
Germany	21,585	6,710	14,875
United Kingdom	5,572	851	4,721
Central and Eastern Europe (CEE), including Türkiye	3,881	434	3,448
Rest of Europe	7,719	1,652	6,067
USA	16,478	1,565	14,913
Rest of North America	2,723	2,036	687
Latin America	2,506	408	2,098
Asia and Australia	6,206	574	5,632
Africa	326	69	256
Total	**66,996**	**14,299**	**52,697**
31.12.2023			
Germany	19,685	6,436	13,249
United Kingdom	4,266	864	3,403
Central and Eastern Europe (CEE), including Türkiye	3,471	322	3,149
Rest of Europe	7,099	1,585	5,515
USA	15,237	1,357	13,880
Rest of North America	2,028	1,795	233
Latin America	2,391	386	2,005
Asia and Australia	6,260	549	5,711
Africa	393	65	328
Total	**60,831**	**13,358**	**47,473**

[1] Before elimination of intragroup cross-segment transactions.
[2] After adjustment for the reinsurers' share of these liabilities.

The insurance revenue in the property/casualty primary insurance area is distributed as follows by type and class of insurance:

INSURANCE REVENUE BY TYPE AND CLASS OF INSURANCE [1]

EUR million	Gross insurance revenue 2024	Gross insurance revenue 2023
Property/casualty primary insurance	20,316	17,346
Motor insurance	7,141	5,631
Property insurance	4,392	3,751
Liability insurance	3,810	3,514
Casualty insurance	492	410
Marine	1,322	1,140
Other property/casualty insurance	3,157	2,900
Property/Casualty Reinsurance	18,665	16,824
Group Operations	1,123	965
Total	**40,103**	**35,134**

[1] Before elimination of intragroup cross-segment transactions.

Underwriting risks, life

Typical life insurance risks are derived from the fact that policies include guaranteed long-term biometric and/or investment benefits. Whereas the premium for a given benefit is fixed at the inception of the policy for the entire policy period, the underlying parameters may change over time. This also applies to the legal framework underlying the contractual relationship, which is defined by the legislators and the courts. Changes that can aggravate the risk here are discussed in the Operational risks section.

Biometric risks and lapse risks in life primary insurance

Biometric actuarial assumptions such as mortality, longevity and morbidity are established at the inception of a contract. Over time, these assumptions may prove to be no longer accurate, and additional expenditure may be needed to boost the benefit reserve. Departures from the actuarial assumptions can also be affected by global trends. Therefore, the adequacy of the underlying biometric actuarial assumptions is regularly reviewed.

Epidemics, a pandemic or a global shift in lifestyle habits may change the risk situation for contracts under which death is the insured risk.

In the case of annuity insurance, the risk situation may change first and foremost as a result of steadily improving medical care and social conditions as well as unexpected medical innovations. These factors increase life expectancy and mean that the insured as a whole receive benefits for longer than calculated.

Premiums and technical provisions are calculated on the basis of prudent biometric actuarial assumptions. We ensure the adequacy of the latter by regularly comparing the claims expected on the basis of the mortality and morbidity tables with the claims that have actually been incurred. Adequate safety margins are applied for error risk, random fluctuation risk and change risk.

Most life primary insurance policies are long-term contracts with a discretionary surplus participation feature. Relatively small changes in the assumptions about biometric factors, interest rates and costs that are used as the basis for calculations are absorbed by the safety margins included in the actuarial assumptions. If these safety margins are not required, we largely pass the resulting surpluses on to policyholders, in line with statutory requirements. The impact on earnings of changes in risk, cost and interest rate expectations can therefore be mitigated by adjusting policyholders' future surplus participation.

We use reinsurance contracts primarily to provide additional protection against biometric risks. We establish reserves on the basis of how biometric actuarial assumptions are forecast to develop to ensure that we can meet our commitments under these policies at all times. In addition, specially trained life actuaries establish safety margins that also make sufficient allowance for change risk.

Life insurance policies also entail lapse risk. For example, an unusual cluster of cancellations could result in the available liquid assets being insufficient to cover the benefits payable. This could lead to unplanned losses being realised when assets are sold. Unexpectedly high lapse rates would also necessitate the sale of investment portfolios that are recognised in accordance with the principles for fixed assets and contain unrealised gains. This is offset by the release of an additional interest reserve. To mitigate this risk, the Group's life insurers maintain a sufficiently large portfolio of short-term investments and regularly analyse the lapse situation. They also regularly compare and manage the durations of their assets and liabilities.

Furthermore, cancellations may result in defaults in premium refunds from insurance intermediaries, which is why intermediaries are carefully selected.

Higher levels of cancellations may also increase the cost risk if new business drops off significantly and fixed costs – unlike variable costs – cannot be reduced in the short term.

We regularly review policyholders' lapse behaviour and lapse activity trends in our insurance portfolio.

We perform scenario and sensitivity analyses in our internal model in order to quantify underwriting risk. These analyses relate to our basic own funds and help indicate which areas to focus on from a risk management perspective.

BIOMETRIC RISK SENSITIVITIES, LIFE PRIMARY INSURANCE

Change in Solvency 2 Basic Own Funds in %	2024	2023
Morbidity +5%	–24	–24
Mortality –5%	–23	–25
Mortality –5%	23	25

The exposure of the Group's life insurers depends on the type of insurance product concerned. Annuities and death cover are not netted in the sensitivities.

Interest guarantee risk including investment risk

In endowment life insurance, a basic distinction is made between unit-linked and index-linked policies and traditional policies with guaranteed actuarial interest rates, with the latter accounting for the majority of the Group's portfolio. While with unit-linked and index-linked policies the investment risk is borne by customers, under traditional policies the insurer promises customers a guaranteed return on the savings elements of the premium. In the case of newly-developed (modern classic) products, we work with significantly curtailed guarantees in order to meet increasing solvency capital requirements.

In the case of our German life primary insurance, the most significant risk is that investments do not generate sufficient returns to meet liabilities to customers. The guaranteed returns on savings elements under traditional life insurance policies largely depend on the policies' actuarial interest rate generation. Actuarial interest rates are between 4% (4%) and 0.3% (0.3%) per annum, depending on the tariff generation concerned. Taking into account the additional interest reserve, the average guaranteed interest rate for the Group's German life insurance companies and for HDI Pensionskasse AG as at 31 December 2024 was 1.4% (1.4%).

In particular, due to the limited availability of long-term debt instruments on the capital market, it is only partially possible to match the interest rates of the contracts with matching maturities. As a result, fixed interest rates on the assets side regularly have a shorter term than those on the liabilities side (this is known as a duration mismatch or asset-liability mismatch).

As at 31 December 2024, the duration for the Group as a whole for fixed-income securities (including interest rate derivatives) was 6.4 (6.9) years, and the Macaulay duration of the liabilities including the expected future surplus participation for the life insurance business with options and guarantees was 9.3 (9.8) years.[1]

The duration mismatch shown means that the basic own funds are sensitive to the discounting assumptions used in the model. For terms beyond 20 years, these are not derived from the capital markets, but instead follow the industry convention used by the European supervisory authorities in the Solvency 2 regime. If standard industry assumptions about the discount rate for liabilities with a term of more than 20 years are higher than the interest rates actually obtainable in the market at that time, the valuation models used to calculate the basic own funds underestimate the liabilities to policyholders and interest rate sensitivity in life insurance. If, on the other hand, the interest rates actually obtainable are higher than the discount rates, the liabilities to policyholders and interest rate risk are overestimated. At present, the interest rates actually obtainable in the illiquid capital market segments for particularly long-term securities tend to suggest that the valuation models slightly underestimate the liabilities to policyholders and interest rate sensitivity and slightly overestimate the basic own funds.

Interest guarantee risk exposure is calculated on the basis of our investment risks. These are presented together with the relevant stress tests and sensitivities in the Investment risks section.

In the case of unit-linked life insurance contracts, the technical provisions are recognised in the amount of the fund volumes held for the policyholders. This means that changes in share prices have a direct impact on the amount of the technical provisions for unit-linked insurance, although this is offset by equal effects on the investments. Consequently, the basic own funds are only impacted by investments that are not held for the benefit of life insurance policyholders who bear the investment risk. A drop in the share price would have a negative impact here, albeit a very minor one as the equity allocation is currently low.

[1] The figure reported here is based on the ratio of the cash flows of the liabilities calculated using the valuation models to the certainty equivalent path; this corresponds to the most recent requirement set out by EIOPA in its insurer stress test and the deliverables of financial stability reporting.

Underwriting risk in life/health reinsurance

Biometric risks are especially important in life/health reinsurance. Reserves in this area are recognised on the basis of the information provided by our ceding companies and reliable biometric actuarial assumptions. The biometric assumptions and lapse assumptions used are continuously reviewed with regard to their appropriateness and adjusted where necessary. This is performed using the company's own empirical data and market-specific insights.

New business written by the Group in all regions complies with our global underwriting guidelines. These guidelines are revised annually to ensure that they appropriately reflect the type, quality, level and origin of the risks. Specific underwriting guidelines cater to the particular features of individual markets. By monitoring compliance with underwriting guidelines, we reduce the risk associated with cedant insolvency or a deterioration in their credit rating, particularly in the case of reinsurance contracts with pre-financing. Regular reviews are performed and the overall view considered in the case of new business or when international portfolios are acquired.

We have confidence in our underwriters' business skills and assign them the highest responsibilities. Our decentralised organisation manages risks where they arise, adopting a uniform approach throughout the Group to gain an overall view of the risks involved in life/health reinsurance. The global underwriting guidelines provide our underwriters with a suitable framework for this. Life/health reinsurance risks are reflected in the internal capital model.

Interest guarantee risk, which is so important in life primary insurance, is of little relevance to life/health reinsurance risk, owing to contract structures in the latter area. The risk profile in life/health reinsurance is dominated by mortality and longevity risks. This is because some of the contracts have to pay death benefits while others pay survival benefits. We take a prudent approach to calculating the diversification effect between mortality and longevity risks; contracts are usually arranged for different regions, age groups and people. Morbidity risks also play an increasingly important role here. Additionally, life/health reinsurance is exposed to lapse risks, as the payment flows resulting from the reinsurance contracts also depend on policy holders' lapse behaviour.

We are continuously monitoring the worldwide development of our mortality and morbidity business in the aftermath of the COVID-19 pandemic.

The sensitivities affecting the Reinsurance Division's basic own funds are as follows:

UNDERWRITING RISK SENSITIVITIES RANGES, REINSURANCE DIVISION

Change in Basic Own Funds in %	2024	2023
Mortality +5% (excluding annuity business)	−6 to −4	−6 to −4
Morbidity +5%	−4 to −2	−4 to −2
Mortality −5% (annuity business only)	−3 to −1	−3 to −1
Lapse rate +10%	−2 to 0	−2 to 0
Expenses +10%	−1 to 0	−1 to 0

Derivatives embedded in life insurance contracts and not recognised separately

Life primary insurance products may include the following significant options for policyholders:

- Minimum return/guaranteed interest rate
- Surrender and premium waiver options
- Increase in insurance benefit without further medical examination
- Option under deferred annuity policies to take the insurance benefit as a one-time payment (lump-sum option) instead of drawing a pension

In the case of unit-linked products, policyholders may opt to have the units transferred on termination of the contract rather than to receive payment of their equivalent value (benefit in kind). To this extent, there is no direct market risk.

Default risk

The default risk primarily consists of the risk of complete or partial unwillingness or inability to pay on the part of counterparties and the associated payment default. Default risks exist in relation to reinsurers, retrocessionaires, policyholders and insurance brokers as well as in the context of short-term deposits with banks. Credit risks from debt instruments are addressed in the following section under investment risks.

Accounts receivable from policyholders and insurance intermediaries are generally unsecured. There is no material financial risk for the Group in these cases as the amounts involved are small and the range of debtors is diverse.

Additionally, default risk arises in the primary insurance business on accounts receivable from reinsurers and in the reinsurance business on receivables from retrocessionaires. In reinsurance ceded, we take care to ensure that the reinsurers concerned are financially highly sound, especially in the case of accounts with a long run-off period. The Group counters the default risk on accounts receivable from reinsurers and retrocessionaires using Group-wide policies and guidelines. Reinsurance partners are carefully selected by security committees made up of experts, and their creditworthiness is continually monitored. To do so, we use information from external rating agencies.

Since we are also the active reinsurer for most of our reinsurers and retrocessionaires (particularly in the Property/Casualty Reinsurance segment), there is some potential for offsetting defaults against our own liabilities. Assets from reinsurance contracts held – gross of any collateral or other arrangements that reduce default risk – are equivalent to the maximum default risk exposure at the reporting date.

Investment risks

Market risk covers both fluctuations in the value of investments on the asset side of the balance sheet and effects on the underwriting risks caused by capital markets developments that are recognised economically on the liabilities side. Fluctuations in the value of investments are the result of changes in their market price, which if unfavourable may result in impairment losses being charged.

In line with the principle of commercial prudence, our investment policy is guided by the following goals:

- Optimising the return on investment while at the same time preserving a high level of security
- Permanently meeting liquidity requirements (solvency)
- Risk diversification (mix and spread)

Our portfolio of debt instruments is exposed to interest rate risk. Declining market yields lead to increases in market values and rising market yields to decreases in the fair values of the debt instrument portfolio. Similarly, changes in credit spreads affect the market price of debt instruments.

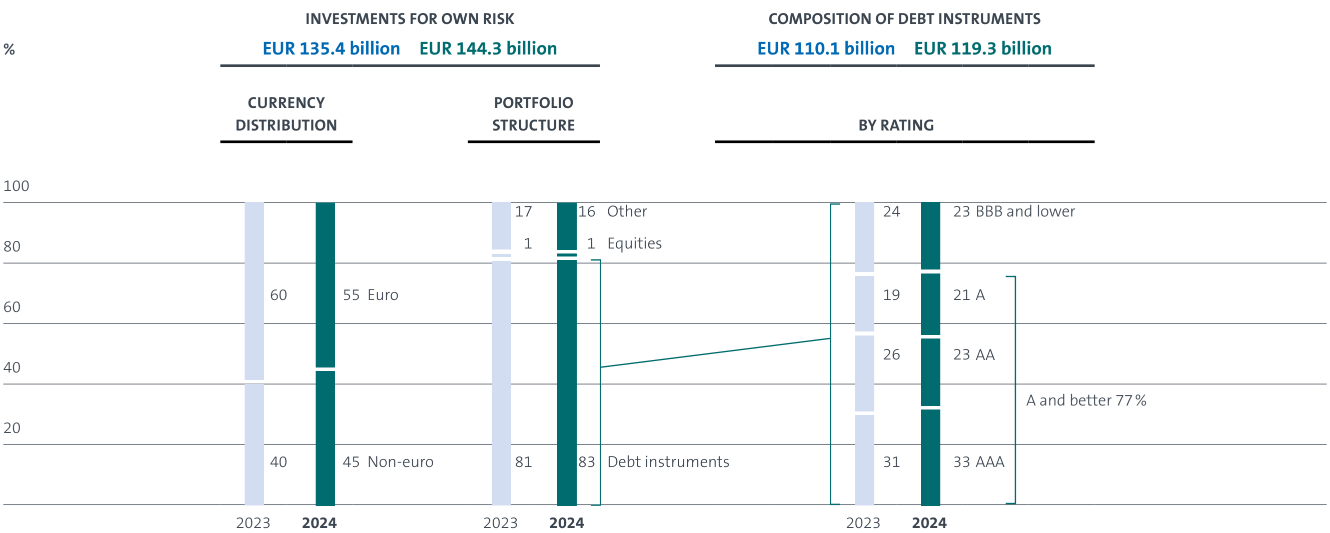
Equity price risk arises from negative changes in the value of equities, equity derivatives and equity index derivatives held in the portfolio.

Currency risk results from exchange rate fluctuations. These have a particularly pronounced impact if there is a currency imbalance between the technical liabilities and the assets.

Real estate risks may result from negative changes in value, which may occur either directly or via fund units. They can be triggered by a deterioration in the features of a particular property or by a general downturn in market prices.

Exposure to these risks is largely managed using the investment portfolio structure. The following table shows the Talanx Group's portfolio of investments for own risk, including mortgage loans, broken down by currency, asset class and rating, using the valuations reported in the IFRS financial statements:

THE TALANX GROUP'S PORTFOLIO BY CURRENCY, ASSET CLASS AND RATING



The portfolio is dominated by debt instruments (83% [81%]). Other investments, mainly private equity, property and infrastructure investments, comprise 16% (17%). 1% (1%) of the portfolio is attributable to equities. Of the debt instruments, 77% (76%) have a rating of at least A. We add selected high-yield bonds with short maturities to our bonds with excellent credit ratings and long durations. The majority of our investments are denominated in euros, with the US dollar being the main currency outside this area. Government bonds and bonds issued by government-related entities account for 51% (51%) of all debt instruments. In contrast to the standard formula, we always model these in TERM taking account of the credit spread risks, regardless of the issuers and issue currency.

Despite our relatively low-risk portfolio, the investment volume involved means that market risk is still highly significant for the Group's risk profile. We assess the market risks with TERM. In particular, credit spread risk is material. Furthermore, some of the companies assessed with TERM are materially exposed to interest rate risks.

We display the risk concentration in the model, which contains not only the effect of issuer concentration on its own but also the impact of correlations resulting from economic and geographical links between issuers.

Market risk is primarily monitored and managed using our limit and threshold system. One key aspect here involves regularly reviewing the value at risk (VaR), taking into account not only the investments themselves but also the forecast cash flows for the technical liabilities and their sensitivity to market risk factors. The ALM VaR is calculated using a confidence level of 99.5% and a holding period of ten days. In other words, there is only a 0.5% probability that the estimated potential loss will be exceeded within ten days.

As at 31 December 2024, the ALM VaR was EUR 2,074 (2,247) million, or 1.48% (1.70%) of the investments under consideration. The lower exposure to market risk compared to the previous year is largely due to the reduction in the equity allocation.

Additionally risk early warning uses a version of the model in which shorter time periods are taken into account and the most recent market observations have a stronger impact on the risk indicators thanks to exponential weighting. This version of the ALM VaR model is much more sensitive to current changes in capital market volatility and can also provide an early warning of increases in risk.

Stress tests and scenario analyses complement the range of management tools. For interest rate-sensitive products and equities, we calculate potential changes in fair value on a daily basis using a historical worst-case scenario, which allows us to estimate the potential loss under extreme market conditions. We use scenarios to simulate changes in equity prices and exchange rates, general interest rates and spreads on bonds from issuers exposed to credit risk. Interest rate risk entails the risk of an adverse change in the value of the financial instruments held in the portfolio due to changes in market interest rates. With regard to the relevant capital market stresses under IFRS 17, see the end of the section on credit risks.

The Group enters into derivative transactions:

- To hedge existing assets, mainly against price risk or interest rate risk.
- To prepare for subsequent purchases or disposals of securities.
- To generate additional earnings from existing securities.

The boards of management of the Group companies decide on the nature and scope of investments in derivative financial instruments or structured products. Very strict limits apply for the use of these and they are regulated by investment guidelines. We constantly monitor the investment guideline requirements and the statutory provisions governing the use of derivative financial instruments and structured products. Further information on the use of derivative financial instruments can be found in Note 14 of the Notes to the consolidated balance sheet – assets section of the Notes.

Credit risk

Credit risk or counterparty credit risk refers to a deterioration in debtors' credit quality that results in them being unable to make agreed payments in part or in full. In addition, the value of financial instruments can decline as a result of impaired issuer credit quality. Credit risks can be broken down into the following key categories:

- issuer risk (default risk, migration risk)
- counterparty risk (replacement and settlement risk)
- concentration risk

Credit risk is divided into the following sub-risks during risk modelling: spread, migration and default risk, and correlation and concentration risk. While spread, migration and default risk can be quantified at the level of individual assets, correlation and concentration effects can only be observed in specific portfolio contexts. Correlations show the interrelationships between different issuers' credit quality. In other words, correlation and concentration risks measure the concentration of investments at individual issuers, including such interrelationships in credit quality.

Counterparty credit risk is capped using Talanx's system of limits and thresholds and by its segment and company-specific investment guidelines, and is continuously monitored. 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.

Issuer credit quality is a key criterion when deciding whether to invest. Creditworthiness is assessed on the basis of the Group's own credit risk analyses, which are supplemented by ratings from external agencies. Most new investments are made in investment-grade securities. An early warning system based on market information (such as credit spreads and equity prices) has been put in place to spot initial signs of deteriorating credit quality. To reduce counterparty risk, OTC transactions are entered into only with a select group of counterparties. We reduce the risk of financial default by counterparties arising from the use of OTC derivatives by clearing, netting and by entering into collateral agreements (see the information provided in Note 14 of the Notes to the consolidated financial statements). In addition, credit default swaps ensure efficient credit risk management.

We assess counterparty credit risk at individual counterparty level using the following features:

- the probability of default, which is derived from the composite rating (second-best of the available agency ratings from Standard & Poor's, Moody's, Fitch and Scope)
- the loss given default (LGD), which is derived from the volume of collateral furnished and the seniority of an issue
- the exposure at default (EAD), which represents the expected amount of the receivable at the time of default

An expected loss and a credit value at risk (CVaR) are calculated for the portfolios, taking ratings/the allocated probability of default and the expected loss given default (LGD) into account. The CVaR represents the amount of the (unexpected) loss that will not be exceeded within a year for a probability of 99.5%. The stochastic simulation used to calculate the CVaR takes into consideration issue-specific features, portfolio concentrations (e.g. in sectors and countries) and correlations between the individual assets.

The risk indicators calculated in this way are aggregated at the various management levels and serve as the basis for monitoring and managing credit risk.

As at 31 December 2024, the CVaR for the Group as a whole was EUR 6,347 (6,131) million, or 4.4% (4.6%) of the assets under consideration. In other words, the average credit risk for investments declined year-on-year. The internal risk calculations capture all investments exposed to credit risk. This also includes European government bonds, which are notionally considered to be risk-free under the Solvency 2 standard model.

The decline in the CVaR rate compared to the previous year resulted from a selective reduction of risk within the corporate bond and equity portfolios. As previously, the investments are still based on the conservative reinvestment strategy in the Group's investments.

To manage credit risk, it is essential to have an overview of the implications of certain influences at Group portfolio level and at the level of individual issuers. Three credit scenarios are shown below.

CREDIT VAR STRESS TEST

	31.12.2024		31.12.2023	
	EUR million	%	EUR million	%
Rating downgrade by one notch	7,553	+19	7,115	+16
Rating downgrade by two notches	8,950	+41	8,342	+36
Increase of ten percentage points in LGD	6,844	+8	6,640	+8

The table shows the sensitivity of the CVaR to certain credit scenarios. It illustrates both the effect of issuer ratings being downgraded by one or two notches and the reduction in expected recovery rates in the event of default.

As regards its investments for own risk, the Group's exposure to government bonds with a rating lower than A– amounted to EUR 6.1 (5.7) billion on a fair value basis, which corresponds to a share of 4.2 (4.2)%.

EXPOSURE TO BONDS WITH A RATING OF LESS THAN A–

EUR million	Rating [1]	Government bonds	Semi-government bonds	Financial bonds	Corporate bonds	Covered bonds	Other	Total
31.12.2024								
Italy	BBB	2,847	—	575	599	339	4	**4,366**
Brazil	BB	1,030	—	84	325	—	55	**1,493**
Mexico	BBB	435	7	130	313	—	—	**885**
India	BBB–	210	178	93	56	—	—	**538**
Philippines	BBB	72	453	1	—	—	—	**527**
Colombia	BB+	185	2	70	130	—	—	**387**
South Africa	BB	143	—	7	144	—	—	**293**
Indonesia	BBB	110	—	6	141	—	—	**257**
Turkiye	BB–	190	—	25	15	—	—	**231**
Peru	BBB	81	—	60	76	—	—	**216**
Other BBB+		115	—	41	59	—	—	**214**
Other BBB		183	—	30	90	—	—	**303**
Other <BBB		490	73	28	59	—	33	**684**
31.12.2023								
Italy	BBB	3,080	—	644	447	216	3	**4,391**
Brazil	BB	1,122	—	81	295	—	37	**1,535**
Mexico	BBB	390	2	149	297	—	—	**837**
India	BBB–	183	131	79	54	—	—	**447**
Philippines	BBB	40	333	14	—	—	—	**387**
South Africa	BB	112	—	3	139	—	2	**256**
Indonesia	BBB	129	—	3	120	—	—	**252**
Colombia	BB+	32	2	28	104	—	—	**166**
Peru	BBB	36	—	55	58	—	—	**149**
Hungary	BBB	97	—	15	23	—	—	**134**
Other BBB+		70	—	29	49	—	—	**149**
Other BBB		111	2	2	89	—	—	**204**
Other <BBB		325	74	34	35	—	—	**469**

[1] External issue ratings (Standard & Poor's, Moody's, Fitch or another rating agency appointed by Talanx [ECAI]). Where external issue ratings are available from more than one agency, the second-best rating is used.

The maximum exposure to default risk of our investments as at the reporting date, disregarding collateral or other arrangements to reduce default risk, corresponds to the balance sheet items.

Within the Group as a whole, financial assets totalling EUR 1,493 (1,854) million serve as collateral for liabilities and contingent liabilities. These include the standard collateral furnished by Hannover Re Real Estate Holdings to various banks for liabilities relating to investments in real estate businesses and real estate transactions. This collateral amounted to EUR 1,129 (1,210) million as at the end of the reporting period.

Further information on collateral pledged by the Group can be found under "Disclosures on the nature and extent of significant restrictions" in the "Consolidation" section of the Notes to the consolidated financial statements.

As regards the Group, various banks have furnished guarantees in the form of letters of credit as surety for technical liabilities totalling EUR 3.6 (3.4) billion. In addition, assets with a fair value of EUR 96 (542) million have been furnished as collateral to the Group that can be sold or transferred as collateral even if the owner is not in default on payment.

As at the reporting date, the portfolio did not contain any material past-due investments that were not impaired, since past-due securities (with the exception of mortgage loans secured by charges on property) are impaired immediately. See Note 28 and 29 for information on impairment losses on investments in the reporting year.

The rating structure of our debt instruments, broken down by balance sheet item, investment contracts and short-term investments is presented in the Notes to the consolidated balance sheet – assets section.

Capital market stress tests were carried out on the basis of the change in basic own funds under Solvency 2. In this case, the interest rate term structure for all maturities was shifted in parallel by 50 basis points, upwards and downwards in separate stress tests. In the credit spread stress test, the spread curve for all ratings was shifted upwards by 50 basis points and the volatility adjustment (VA) was matched to the new economic environment using the DVA calculation logic. The stress of the yield and spread curve is applied to all investments that are sensitive to interest rates or spreads. In the equities stress test, the market value of all listed shares in the portfolio was stressed by –30% and the impact on basic own funds was determined.

CAPITAL MARKET STRESS TEST

Change in Basic Own Funds	31.12.2024 EUR million	31.12.2023 EUR million
Interest rate –50 basis points	18	–9
Interest rate +50 basis points	–158	–87
Credit spread +50 basis points	–971	–864
Equities –30%	–240	–261

Liquidity risk

We define the liquidity risk as the risk of being unable to convert investments and other assets into cash in time to meet our financial obligations as they fall due. Liquidity risk results from the different timing of payment inflows and outflows and arises in particular from inflows from investments and premiums as well as the uncertainty of payouts on insurance obligations.

The operating units are responsible for managing liquidity risk. For this purpose, they use appropriate systems that reflect the particular features of the different business models in the Group accordingly. This allows us to maximise the flexibility of our liquidity management overall. An essential element of liquidity risk management is asset/liability management in order to balance investments and liabilities appropriately. The management of liquidity risk is also subject to limits and thresholds.

As a rule, the Group generates significant liquidity positions on an ongoing basis because regular premium income accrues well before claims and claims expenses are paid and other benefits are rendered.

The table below shows the amount and timing of the expected cash flows in liabilities from insurance contracts issued.

NET LIABILITY INSURANCE CONTRACTS ISSUED

	Corporate & Specialty		Retail International	
EUR million	31.12.2024	31.12.2023	31.12.2024	31.12.2023[1]
Due within one year	7,040	6,212	5,448	4,335
More than 1 year and up to 2 years	3,807	3,067	1,379	1,442
More than 2 years and up to 3 years	2,554	2,067	1,048	998
More than 3 years and up to 4 years	1,828	1,492	826	833
More than 4 years and up to 5 years	1,239	1,101	733	619
More than 5 years and up to 10 years	3,014	2,588	2,053	2,138
More than 10 years	2,514	2,093	4,276	4,343
Cumulative discounting effect	–2,486	–1,143	–3,936	–3,291
Total	**19,511**	**17,476**	**11,827**	**11,419**

[1] The two segments Retail Germany – Property/Casualty and Retail Germany – Life were combined into a single Retail Germany segment for the purpose of standardised control based on the resolution of the Board of Management dated 7 October 2024. The two segments Retail Germany – Property/Casualty and Retail Germany – Life were combined into a single Retail Germany segment for the purpose of standardised control based on the resolution of the Board of Management dated 7 October 2024.

The net liability from reinsurance contracts held has a term of up to one year.

Retail Germany		Property/Casualty Reinsurance		Life/Health Reinsurance		Group Operations		Consolidation		Total	
31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
4,201	3,533	6,763	7,516	1,618	1,703	1,317	1,073	–1,479	–1,386	24,908	22,986
2,779	2,566	10,275	8,722	1,102	1,100	854	630	–1,175	–1,143	19,022	16,385
2,773	2,429	6,427	5,618	905	845	359	591	–809	–676	13,258	11,872
2,737	2,618	4,755	4,274	346	368	197	134	–549	–460	10,139	9,259
3,111	2,689	3,563	3,180	267	346	89	91	–332	–332	8,671	7,693
13,596	13,565	8,926	7,353	1,317	1,178	361	291	–787	–750	28,482	26,363
69,468	68,672	5,688	4,828	8,406	7,975	265	225	–386	–577	90,230	87,558
–37,967	–37,087	–7,410	–6,379	–5,537	–5,408	–281	–271	608	680	–57,008	–52,898
60,698	**58,985**	**38,988**	**35,112**	**8,425**	**8,108**	**3,160**	**2,764**	**–4,908**	**–4,645**	**137,701**	**129,219**

The table below shows the amounts payable on demand and the carrying amount of the associated contract portfolios.

AMOUNTS PAYABLE ON DEMAND

EUR million	Amount payable on demand	Carrying amount	Amount payable on demand	Carrying amount
	31.12.2024		31.12.2023	
Corporate & Specialty	—	—	—	—
Retail International	3,794	5,627	4,029	6,145
Retail Germany	48,986	57,370	47,898	56,106
Property/Casualty Reinsurance	—	38,987	—	35,112
Life/Health Reinsurance	—	8,425	—	8,108
Group Operations	—	3,156	—	2,759
Consolidation	−32	−4,829	−33	−4,590
Total	**52,747**	**108,735**	**51,894**	**103,640**

[1] Adjusted in accordance with IFRS 8 in conjunction with IAS 8, see also the "Accounting policies" section of the Notes.

In addition to the assets available to cover provisions and liabilities, the Group has agreements with banks regarding letter of credit (LoC) facilities amounting to the equivalent of EUR 5.1 (5.0) billion. Where durations have been agreed, these run until 2028 at the latest. A number of LoC facilities include standard contractual clauses that give the banks concerned the right to terminate the facilities in the event of significant changes in the ownership structure of our Group company Hannover Rück SE, or that trigger a requirement to provide collateral if certain material adverse events occur, such as a significant rating downgrade.

We mitigate liquidity risk at Group level for Talanx AG through regular liquidity planning on a single and multi-year basis and by continuously matching the maturities of our investments and financial liabilities. Our forward-looking calculations enable us to anticipate risks in advance and initiate countermeasures at an early stage. In addition to this basic scenario planning, we identify potential liquidity requirements at Group level as part of a liquidity stress test conducted in the event of a deterioration in the macroeconomic environment and other adverse scenarios. To cushion any short-term liquidity requirements that occur within the Group, among other things, Talanx AG holds a minimum level of liquidity, most of which is placed in money market investments for selected credit institutes of good credit quality. Another aspect of liquidity management is to provide a sufficiently large credit line. For further information, please see the Liquidity and financing subsection of the Assets, liabilities and financial position section of the Group management report. Above and beyond this, Talanx AG ensures the Group has access to long-term and, if necessary, also short-term external finance sources.

For liquidity management at Talanx AG, investments in fixed and current assets are recognised within the meaning of section 341b HGB. Potential impairment losses on investments could have a direct impact both on the HGB result at Talanx AG and an indirect impact on the profit and loss transfers for subsidiaries/income from long-term equity investments.

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.

Operational risks

Operational risks encompass the risk of loss arising from the inappropriateness or failure of internal processes, employees or systems or as a result of external events. They are an unavoidable consequence of conducting our business. An effective internal control system is a key tool we use to minimise operational risk. We have also established Group-wide process management standards, and enhance them continuously.

We have recorded and described the Group processes, and assigned key controls to them within the internal control system so as to identify the operational risks entailed in our workflows. Scenario analyses, based on expert advice and assessments of the frequency and severity of possible loss events, are used to quantitatively assess operational risks. Internal and external operational loss data are used both to support the assessment and as validation.

The following section presents the subcategories of operational risk that are most relevant to us, along with the corresponding mitigating measures:

Operational risks include, in particular, legal, tax and compliance risks. This category also explicitly includes the risk of legal change. A number of central Group functions, and particularly the compliance function and the Legal and Tax departments, monitor the risk situation here closely and advise our subsidiaries and technical departments on these issues.

One example of this are tax law changes based on pronouncements by Germany's Federal Ministry of Finance (BMF). The BMF adopted a restrictive view on the tax treatment of various securities transactions years ago, which could lead to additional tax claims in our Group. These securities transactions were previously not only common, but also generally classified as unproblematic from a tax law perspective, and were therefore also entered into by individual companies in the Group as part of their investment activities. Based on external reports, it is still assumed that there is a high probability that the additional tax claim will ultimately be able to be dismissed. To limit an interest rate risk until a final decision is made, partial payments of the amounts set out in the tax assessments were voluntarily made to the tax office in 2020. This was done as a highly precautionary measure without any acknowledgement of any legal obligation. The payments made were recognised in the 2020 annual financial statements in net investment income. Legal clarification is currently being sought for this recognition regarding supervisory rules and powers. In 2024, further payments were rendered on a voluntary basis purely as a precaution.

The Talanx Group faces a further risk of legal change due to the Mexican government's attempt to increase tax revenues through its tax authority (SAT) by reinterpreting an existing law. The government intends to retroactively prohibit insurance companies from offsetting the VAT on claims payments against the VAT on premium income. As a result, the government has already rejected previous billing audits and imposed penalties on insurers that do not comply with this reinterpretation. The application of this tax approach would likely lead to the insolvency of a significant portion of the Mexican insurance sector. Lawsuits have been filed with the Mexican Court of Administrative Justice and, to a lesser extent, with the International Court of Arbitration by the affected insurers. The decisions before the Court of Administrative Justice have been postponed in these cases so far. The outcome of these cases could create a precedent and, depending on the outcome, may result in additional tax payments for the Group.

In addition to the risk of legal change, the Group is involved in court and out-of-court proceedings as part of its normal business activities. The outcome of such proceedings is usually uncertain. For further information, please refer to the Litigation subsection of the Other disclosures section in the Notes.

The risk arising from negligent or deliberate breaches of laws, and in particular from offences against property or breaches of internal regulations by employees or third parties, is another component of operational risk. We counter this risk internally primarily through compliance training and the measures provided for under the internal control system (ICS). In cases of suspicion, special audits may also be performed by Internal Auditing, for example.

Information and IT security risk refers to risks that could potentially endanger the completeness, confidentiality or availability of information or IT systems. We have done justice to the growing importance of these risks, for instance in connection with the use of artificial intelligence (AI), by instituting Group-wide information security guidelines and through regular communications measures that are designed to increase security awareness. Our central internal IT service provider is certified in accordance with ISO 27001 – Information Security, while external partners are obliged to comply with high standards.

Cyber attacks and the loss of sensitive information can involve considerable financial losses and reputational risks. To reduce the risk of successful attacks and limit their potential impact, the Group companies take measures within the framework of central guidelines to protect against, detect and respond appropriately to these incidents.

Other material risks

We have identified emerging risk, strategic risk, reputational risk and model risk as "other material risks". The common factor is that these risks cannot be analysed meaningfully with mathematical models, which means that we have to rely mainly on qualitative analyses in these cases. Risks analysed in this way are taken into account as part of the Own Risk and Solvency Assessment (ORSA).

We define emerging risks as potential threats or hazards that arise from new developments or factors that are developing, complex, uncertain, difficult to predict or only partially understood. These risks can be difficult to assess properly due to their novelty, uncertainty, ambiguity or limited data availability to gauge their potential impact, consequences or appropriate response.

In addition to the top emerging risks in the areas of cyber and data security, climate change (including physical and transition risks) and geopolitical confrontations and a changing political landscape, the Group paid particular attention to the following risk cluster in the reporting period: Per- and polyfluoroalkyl substances (PFAS) are a group of chemicals with water-, grease- and dirt-repellent properties. Some PFAS have been classified as substances that are hazardous to the environment or to humans. Several lawsuits, particularly in the United States, have already been settled and/or are still pending against companies that manufacture PFAS, use PFAS in their products or process or distribute products containing PFAS. Currently, there is no harmonised global regulation governing the definition, handling and restriction of the use of PFAS, but global regulation of PFAS is increasing. An initial trend can be seen within the Corporate & Specialty portfolio. The number of reported claims is slowly increasing. The claims structure reflects the types of claims that we have identified from observing the market, including product liability insurance. The liability portfolio is likely to be more severely affected in the future due to the long history of PFAS substances, their widespread use in various industrial and consumer products, and an increasing willingness to file related lawsuits. We are therefore monitoring this risk cluster closely. It can have a negative financial impact on various lines of business.

Strategic risks result from a potential misalignment between our corporate strategy and the constantly changing general environment. Such an imbalance might be caused, for example, by inappropriate strategic decisions, failure to consistently implement strategies once defined, the inadequate implementation of strategic projects or increased management complexity due to the need to accommodate differing attitudes towards capital, opportunities and risks. We therefore review our corporate strategy and risk strategy annually and adjust our processes and structures as required.

Reputational risks are risks that could damage the Company's reputation as a consequence of unfavourable public perception. Our well-established communication channels, professional corporate communications, tried-and-tested processes for defined crisis scenarios and established Code of Conduct help us to manage this risk.

At Group level, model risk receives particular attention. We define this as the risks associated with incorrect decisions resulting from uncertainty due to a potential partial or total lack of information as to the understanding or knowledge of an event, its repercussions or its likelihood. The steps we have taken to restrict model risk include implementing quality assurance measures and a rigorous model adjustment process.

Projects are generally used to address complex tasks that to this extent may also be associated with specific operational risks (project risks). In particular, project risks may arise in the context of major IT projects.

Sustainability risks (ESG risks) are not a risk category of their own and can instead materialise in all risk categories. This applies to underwriting, investment and operational risks as well as strategic risks and risks to reputation. For example, assets may lose value as a result of climate change, or a failure to comply with social standards may result in significant reputational damage. The Talanx Group is addressing this issue by continuously integrating sustainability aspects into its overall enterprise risk management system. This includes risk identification, measurement and assessment, as well as monitoring and reporting.[1] Group risk management acts as a central hub for the transfer of knowledge and interdisciplinary collaboration with the divisions. Sustainability risks are managed in a decentralised manner in the divisions and by the risk takers. In this context, those responsible draw on the expertise of specialists such as underwriters, engineers, lawyers, economists and actuaries, and are constantly expanding it.

Due to the enormous significance of climate risks, they are a particular focus. The Talanx Group is monitoring opportunities and risks associated with climate change along various dimensions of its business activities. The transition to a low-carbon economy and the measures that this entails, such as higher carbon pricing and/or a reduction in emissions rights and the regulation of energy efficiency, could decrease the fair value of investments in high-carbon sectors and government bonds in countries whose economies are heavily dependent on the fossil fuel energy industry and carbon-intensive industry. Abrupt decarbonisation could also prompt macroeconomic turbulence and uncertainties, which could result in higher risk aversion and volatility on financial markets. An increase in the intensity and frequency of extreme weather events can lead to rising risk premiums and credit losses on financial investments such as government or municipal bonds from highly exposed countries or regions, as well as to a threat to the value of real assets (e.g. real estate and infrastructure investments). The Talanx Group uses different methods depending on the type of investment (for example, in the case of real investments, the Group examines the exposure of the relevant geographical area to climate change-related natural catastrophes) in order to identify risks at an early stage and take appropriate control measures. These can range from reducing our exposure all the way to divesting ourselves of the investments in question.

In underwriting, the impacts of climate change can lead to an increase in the intensity and frequency of natural catastrophes and thus to rising claims expenses. We can respond to this by continuously adjusting models and pricing on the basis of observed and assumed developments. At the same time, new claim types and patterns may also emerge. The Talanx Group supports its customers in adapting their loss prevention measures and sees business opportunities in this area of consulting. New liability risks may arise for customers and ultimately also for the Talanx Group as a result of changes in legislation in connection with climate change. In this context, the Group also provides advice to its customers, reviews the effects on the portfolio and makes changes to risk coverage (e.g. exclusions) where necessary. Furthermore, changing customer needs and changing regulatory and legal conditions necessitate changes in product design (e.g. regarding building and motor insurance). On the other hand, however, new sales opportunities are emerging for the insurance of future-oriented products.

Potential violations of sanctions also pose fundamental risk potential. The Group is therefore implementing appropriate risk mitigation measures, such as monitoring sanctions lists on an ongoing basis and passing on relevant information to operating areas such as underwriting, claims and sales.

The Group's other risks also implicitly include Talanx AG's participation risks; these relate in particular to the performance of subsidiaries, earnings stability in our portfolio of participating interests, and potential imbalances in the business. Talanx AG participates directly in its subsidiaries' performance and risks through profit and loss transfer agreements and dividend payments.

Overall summary of the risk position

From our point of view, and taking into account model uncertainties due to a lack of information on events, their consequences or their probability of occurrence, as well as possible inadequacies in the reasoning processes, we cannot identify any risks that could have a material adverse effect on the Group's assets, liabilities, financial position and financial performance. Capital resources are reviewed on an ongoing basis against the background of possible changes to the risk profile. Our risk management system continuously monitors the uptake and change of risk and is able to react flexibly to changing internal and external factors.

[1] A detailed description of the analyses conducted in the reporting period regarding the exposure and resilience of the business model to possible risks associated with climate change, as well as the results derived from these analyses, can be found in the sustainability statement in section 2.2.12. Environmental aspects in risk management.

Report on expected developments and on opportunities

Economic climate

In 2024, the global economy continued to cool slightly in an environment of restrictive monetary policy, elections and changes of government in numerous countries, as well as ongoing geopolitical conflicts. We assume that this trend will continue in 2025. In particular, the stubborn (core) inflation rates in many countries are likely to make it difficult for central banks to lower their base rates, which have risen sharply in recent years, back to the low levels that would support the economy, like prior to the COVID-19 pandemic. In the emerging markets, growth will likely remain stable over the course of the year, while we expect developed economies to continue to cool slightly.

In the eurozone, we expect a slight acceleration in GDP growth thanks to improved purchasing power as a result of higher wages and stable inflation. Further interest rate cuts by the ECB in the course of the year are also likely to have a supportive effect, particularly as regards investment, while foreign trade is expected to prove a burden in view of potential trade disputes with the United States. In such an environment, the German economy is also likely to pick up again somewhat, but will hardly move beyond stagnation, as the gloomy mood among households and companies, the high level of political uncertainty and, in particular, higher energy prices, which are not expected to fall back to their levels before the outbreak of the war in Ukraine, will prove to be an obstacle.

In the United States, by contrast, tax cuts, deregulation and the protective effect of higher tariffs for domestic industry under the new US President Donald Trump will likely ensure that the economy will again grow much faster than that of the eurozone in 2025. While we expect negative aggregate economic growth effects from these protectionist trade policies to materialise only with a time lag from 2026 onwards, anticipatory effects and the more expansionary fiscal policy should contribute to keep inflation in the United States above the Fed's 2% inflation target. Consequently, the Fed has less scope for further rate cuts than the ECB. In light of this, it will probably not be possible to maintain the high rate of growth seen in recent years.

The main downside risk to the global economic outlook is the future trade policy of the United States and the associated countermeasures and diversion effects that could arise in the international exchange of goods. Potential risks also lurk in the face of unpredictable US politics, not to mention various geopolitical flashpoints (including Greenland, the Panama Canal, Israel, Ukraine and China/Taiwan). At the same time, these conflicts also harbour opportunities if lasting solutions can be found. To add to this, however, many countries (including France and Germany) are facing (potentially) more unstable coalition governments. A further downside risk is that a resurgence in inflation could prompt central banks to end their interest-rate cut cycles and consider raising base rates again in the course of 2025. The question of the sustainability of the substantial debt growth of recent years will likely come up not only in the United States this year, with possible additional fiscal support in Europe in response to US policy, which poses an upside risk to our growth outlook. Finally, a number of structural risks remain, including climate change, the stability of the Chinese economy and demographic change.

Capital markets

The combination of a weak economy and an inflation rate that is no longer far above the ECB's target of 2% should prompt the ECB to continue the cycle of interest rate cuts it began in June 2024 and to lower the deposit rate further this year from 3.00% to 1.75%. The Fed's scope for interest-rate cuts is considerably more limited, given the robust state of the economy and the more persistent inflation, so we expect only a slight further cut in the prime rate, from 4.50% to 4.00%.

Concerns about the inflationary impact of future US trade policy and a more expansive fiscal policy, and the associated increase in bond market issuance, have already caused the 10-year US Treasury yield to rise significantly towards 5% since last autumn. We expect that it will also remain in the range of 5.00% (±0.5 percentage points) during the course of the year, while we expect the German Bund yield to be 2.50% (±0.5 percentage points). As a result, we see only limited upside potential for equities. However, since we do not expect a severe recession, equity and corporate bond prices should be spared major setbacks, provided that geopolitical risks do not materialise.

Future industry situation

The macroeconomic environment continues to be shaped by significant risk factors. In particular, further inflation trends will play a decisive role for both the national and international insurance markets. Our forecasts are therefore subject to more than the usual uncertainty.

German insurance industry

For the German insurance market, we expect a significant increase in premium growth compared to 2024.

In the **property/casualty insurance business,** we expect above-trend positive growth in premium income again in 2025, driven by inflation-related sum and premium adjustments.

For the German **life insurance business,** we expect a further normalisation of the interest rate term structure and a slight increase in disposable income in 2025, with positive impulses for the development of the single premium business and for new business in regular premiums.

International insurance markets

In the **international property/casualty insurance business,** we expect positive real premium growth in 2025, although this is likely to be slightly below the 2024 level due to a slowdown in price growth. In this context, we expect to see positive trends in both the developed insurance markets and the emerging markets. In particular, we expect that for the developed insurance markets and for China, premium growth in 2025 will be below the long-term average due to softer market conditions. In the emerging markets, however, we expect premium growth to be slightly above the long-term average, with volume effects continuing to be a key driver. Profitability in international property/casualty insurance should continue to recover in 2025 and slightly exceed the level of 2024. We expect both investment income and underwriting income to improve slightly as investment yields continue to increase and premium rates in private insurance become more reasonable.

As regards the **international life insurance markets,** we expect real premium growth to exceed the long-term average in both the developed and emerging insurance markets. This trend will be supported by real wage growth, demographic change and the rise of the middle class in the emerging markets.

Focus and forecasts of the Talanx Group in the 2025 financial year

Our expectations for the Group and its divisions for the current year are presented below. The earnings forecast is subject to increased geopolitical risk, macroeconomic developments and the ongoing war in Ukraine.

In the Corporate & Specialty Division, we will continue our profit-driven underwriting policy. In addition to new business, premium increases in specialty and commercial business are also expected to contribute to growth. In the Retail International Division, we continue to strive for profitable growth, which we aim to generate in our core markets of Europe and Latin America. In the Retail Germany Division, we are beginning to realign HDI Versicherung AG, which will focus on specific market niches where it can leverage its particular expertise and competitive advantages in order to reduce complexity and cut costs. In the Reinsurance Division, we expect to see further growth, adjusted for currency effects, particularly in the Property/Casualty Reinsurance segment, thanks to a market environment that remains favourable.

Anticipated financial development of the Group

We are making the following assumptions:

- moderate global economic growth
- declining inflation rates
- no sudden upheavals on the capital markets
- no exchange rate shocks
- no significant fiscal or supervisory changes
- no extraordinarily high number of large losses
- no escalation of geopolitical tension

Talanx Group

GROUP MANAGEMENT METRICS

%	2025
Growth of insurance revenue (adjusted for currency effects)	mid single-digit percentage
Group net income in EUR billion	> 2.1
Return on equity	~ 17

We anticipate mid-single-digit percentage growth in insurance revenue (adjusted for currency effects) for the Talanx Group in 2025. We are aiming for Group net income of more than EUR 2.1 billion. This corresponds to a return on equity of roughly 17%, if there are no fluctuations in equity for other reasons (e.g. credit spread changes). This expectation assumes that large losses will not exceed the large loss budget and that there will be no turbulence on capital markets or material currency fluctuations. In addition, expected Group net income may be subject to particular fluctuations as regards the application of the IFRS 9 standard for measuring investments.

Corporate & Specialty

MANAGEMENT METRICS FOR THE CORPORATE & SPECIALTY DIVISION

%	2025
Growth of insurance revenue (adjusted for currency effects)	high single-digit percentage
Combined ratio (net/gross)	< 92
Return on equity	> 15

For the 2025 financial year, we expect further growth in insurance revenue (adjusted for currency effects) in the high single-digit percentage range. We are forecasting the combined ratio (net/gross) to be below 92%, with a return on equity in excess of 15%.

Retail International

MANAGEMENT METRICS FOR THE RETAIL INTERNATIONAL DIVISION

%	2025
Growth of insurance revenue (adjusted for currency effects)	mid to high single-digit percentage
Combined ratio (net/gross, property/casualty insurance)	~ 93
Return on equity	> 13

For our Retail International Division, we are aiming for growth in insurance revenue (adjusted for currency effects) in the mid to high single-digit percentage range for 2025. We expect the combined ratio (net/gross) in property/casualty insurance to be roughly 93% in 2025. We expect to see a return on equity of more than 13% for the Division.

Retail Germany

MANAGEMENT METRICS FOR THE RETAIL GERMANY DIVISION

%	2025
Growth of insurance revenue	Decline in higher single-digit percentage
New business value (net, Life Insurance only) in EUR million	> 170
Combined ratio (net/gross, Property/Casualty Insurance only)	< 96
Return on equity	> 10

For the Retail Germany Division, we expect a decline in insurance revenue in a higher single-digit percentage range in 2025. The new business value should exceed EUR 170 million. We expect the combined ratio (net/gross) for property/casualty insurance to be below 96% in 2025. We expect to generate a return on equity of more than 10% for the Division.

Reinsurance

Property/Casualty Reinsurance

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

%	2025
Growth of insurance revenue (adjusted for currency effects)	> 7
Combined ratio (net/net)	< 88

In the Property/Casualty Reinsurance segment, growth in reinsurance revenue (adjusted for currency effects) should exceed 7%. In addition, we expect a combined ratio (net/net) of under 88% for the current financial year.

Life/Health Reinsurance

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

%	2025
Insurance service result (net) in EUR million	> 875
Growth of contractual service margin (net)	~ 2

In the Life/Health Reinsurance segment, we expect an insurance service result of more than EUR 875 million in the current financial year. Growth in the net contractual service margin should be approximately 2%.

Reinsurance Division as a whole

MANAGEMENT METRICS FOR THE REINSURANCE DIVISION AS A WHOLE

%	2025
Return on equity	~ 19

For the Reinsurance Division as a whole, we expect net income after Talanx minorities to grow to approximately EUR 1.2 billion in the 2025 financial year. This corresponds to a return on equity of around 19%, if there are no fluctuations in equity for other reasons (e.g. credit spread changes). This is well above the strategic target of more than 14%.

Overall assessment by the Board of Management

The Talanx AG Board of Management's objectives focus on reliable continuity, a high and stable return on equity, financial strength and sustainable profitable growth and so are gearing the Talanx Group towards long-term value creation. To achieve these goals, the Talanx Group must have a strong capital basis that provides its clients with effective risk cover. By giving that assurance, we serve the interests of our shareholders, clients, employees and other stakeholders, and create the greatest possible benefit for all concerned. For this purpose, we have structured our organisation in tune with the needs of our customers in order to offer them the best service possible. Our main focus is on bolstering our own strengths and pooling forces within the Group in order to generate sustainable and profitable growth.

The Talanx Group actively embraces the challenges of a globalised world and has set itself the goal of success in business abroad. In this context, strategic partnerships and acquisitions of companies with strong sales positions in the defined regions of Latin America and Europe can help the Group prosper abroad. The Corporate & Specialty Division offers industrial groups and small and medium-sized enterprises industrial insurance services across the world while, at the same time, wins new customers in local markets abroad. The foreign companies incorporated under HDI International conduct local business with retail clients. Reinsurance is intrinsically an international business. Global diversification is one of the key aspects of reinsurance when it comes to ensuring that large and complex risks remain sustainable.

Opportunities management

Identifying and capitalising on opportunities is an integral part of our performance management process. We view the systematic exploitation of available opportunities as a key business task that is crucial to achieving our corporate objectives. The core element of our opportunities management process is the integrated management dashboard with key performance indicators. It forms the link between our strategic and operational opportunities management.

In the area of strategic opportunities management, Group management evaluates the strategic targets and specific strategic core issues and these are broken down into indicative targets for the divisions.

On this basis, the divisions validate the targets and develop specific strategic action programmes.

In the area of operational opportunities management, strategic inputs are translated into operational targets at levels below division level. Whether and to what extent opportunities and possibilities actually result in operational success is assessed and tracked quarterly. These reviews generate forward-oriented management inputs.

Two key aspects of opportunities management at the Talanx Group are therefore shifting the focus from short-term performance onto the success factors and actions required in the long term, and monitoring the successful implementation of these value drivers as part of a regular, integrated management and assessment process.

Assessment of future opportunities and challenges

Opportunities arising from changes in the framework conditions

Climate change: The average temperature on earth is rising with the increasing emission of greenhouse gases. As a result, extreme weather events are becoming more frequent, which significantly increases the volume of losses from natural disasters and leads us as an insurer to expect increasing demand for insurance solutions to cover risks from natural disasters. This applies to the primary insurance sector as well as to reinsurance. We possess both risk models for assessing risks from natural disasters as well as extensive expertise in the field of risk management. This puts us in a position to offer our customers tailor-made insurance solutions to cover existential risks. Furthermore, there is an increased need as a result of climate change to cover rising energy needs from renewable sources of energy. As an institutional investor, this enables us to put much more money into alternative investments such as wind farms. We have also published a green bond framework which allows us to issue green bonds. We issued our first green bond on the market in December 2021. Green bonds are an important element of meeting the sustainability targets we have set ourselves such as carbon neutrality and ESG conformity. In addition, we also expect green bonds to offer interest rate discounts compared to traditional bonds, ultimately increasing our company's profits.

Should the demand for insurance for these developments and the demand for green bonds rise faster than expected, this could have a positive impact on our premium growth and financial performance, and could lead to us exceeding our forecasts.

Demographic change in Europe: Demographic change is currently creating two markets offering considerable growth potential: on the one hand, a market for products specifically for senior citizens and, on the other, for young customers who, due to the decreasing benefits provided by the social security system, are having to take more independent precautions. Senior citizens can no longer be equated with the "traditional" pensioners of the past. Not only are these customers increasingly making use of services – for which they are willing and able to pay – but, even more significantly, this customer group is increasingly active and is therefore devoting more attention than previous generations to finding the necessary financial cover for various risks.

This means that it is not enough for providers simply to add assistance benefits onto existing products; instead, they have to offer innovatively designed products to cater for these newly emerging needs. Examples include products for second homes and extensive foreign travel, for sporting activities pursued well into pensioners' advancing years, and for passing assets on to their heirs. At the same time, younger customers are also becoming increasingly aware of the issue of financial security in old age. It is possible to tap into this potential via a range of (state-subsidised) private retirement products and attractive occupational retirement provision schemes. We currently expect to see a trend in this client group towards increased demand for retirement provision products with more flexible saving and pay-out phases. Due to their comprehensive range of new products and sales positioning, the Group's life insurance companies may be able to profit from the senior citizen and young customer markets.

Should we be able to benefit more from the sales opportunities arising from demographic change than currently expected, this could have a positive impact on our premium growth and financial performance, and could lead to us exceeding our forecasts.

Financial market situation: After a long period of extremely low interest rates in the eurozone, they rose rapidly in 2022 and have remained at a higher level since then, albeit with increased volatility. This situation is challenging for us as an insurer, but does also create opportunities. In particular, we are benefiting from higher interest income due to the interest rate level. In the German life insurance business, this is now resulting in a decrease in the additional interest reserve recognised in previous years as a risk provision due to low/negative interest rates.

Should our interest income continue to improve, this could have a positive impact on our net return on investment and financial performance, and could lead to us exceeding our forecast.

Sales opportunities

Bancassurance: The sale of insurance products via banks, known as bancassurance, has become an established practice in recent years. Bancassurance has played and continues to play a significant role in the Talanx Group's success. The basis of this is a special business model in which the insurance business is fully integrated into the banking partner's business structures. The insurance companies are primarily responsible for developing the insurance products, while the banking partners make a wide range of sales channels available.

The Talanx Group has established this sales channel not only in Germany, but also in Poland, Italy, Türkiye, Chile and Brazil. In principle, we see the use of this model outside Germany as a means of promoting profitable growth. The success of Talanx's bancassurance model primarily stems from three factors: firstly, we enter into long-term cooperation agreements with our partners, enabling insurance products to be sold via our partners' sales channels. Secondly, it is based on the highest possible level of integration with the aim of achieving a high quality of products and services: the cooperation is carried out as a joint business model within the framework of the partner's strategic focus. In this context, the insurers develop exclusive, customised products for the bank's customer segments and are fully integrated into their respective go-to-market approach. Integration with our partners' IT systems also makes it easier to provide all-round advice when selling banking and insurance products. Thirdly, success depends on providing customised sales support to our partners. Bank sales staff are given individual training and exclusive guidance by sales coaches from the insurance companies, allowing them to build up product expertise and experience of sales approaches. In addition, the insurance companies supply easy-to-understand and supportive sales materials and conduct hybrid campaigns.

Should we be able to expand our bancassurance activities better than currently expected, this could have a positive impact on our premium growth and financial performance, and could lead to us exceeding our forecasts.

Cyber risks: Growing digitalisation means that companies are increasingly suffering massive losses as a result of cyber attacks. Most notably, hacking attacks demonstrate that the manufacturing industry in particular is not immune to risks from cyber-crime, despite excellent defence mechanisms. Attention is also increasingly being focused on senior management responsibility. For this reason, HDI Global SE has developed Cyber+, an insurance solution that comprehensively covers the various risks. HDI Global SE's all-round protection spans all lines of business and covers both first-party losses arising as a result of cyber-crime and also third-party losses by customers, service providers or other third parties for which companies are liable. In addition, it also provides cover for management's civil and criminal responsibilities.

Should we be able to exploit the sales opportunities arising from the need for additional cyber risk cover to a greater extent than currently expected, this could have a positive impact on our premium growth and financial performance, and could lead to us exceeding our forecasts.

Opportunities within the Group

Digitalisation: Hardly any other trend is changing the insurance industry as profoundly as digitalisation, with business processes and models being fundamentally redesigned through the use of IT systems. This development is crucial, particularly as regards the competitiveness of insurers. It is opening up new opportunities for communicating with customers, processing insurance claims, analysing data and tapping into new areas of business.

We are conducting numerous projects to drive the digital transformation. This also includes creating added value through artificial intelligence (AI). For years, the experts at HDI Global SE have been using AI models that generate clear results from structured data. However, with its proprietary generative AI solution Chat@HDI, the Group has created the opportunity to gain insights from unstructured data in text or image form in real time in order to support employees. Benefits for customers and employees are already emerging, above all time savings through optimised processes that comply with data protection and compliance requirements. These include, in particular, the European Union's Artificial Intelligence (AI) Act. It came into force on 1 August 2024, and most of its provisions must be implemented by 2 August 2026. It aims to regulate the development and use of AI in the EU, protecting the fundamental rights of individuals and groups and increasing trust in this technology. At the same time, the regulations promote innovation by providing clear guidelines.

If the Group's digitalisation projects are implemented faster and adopted by the customers more quickly than currently expected, the premium trend and financial performance could be positively impacted, which could lead to us exceeding our forecasts.

Knowledge management: Knowledge and innovation management are increasingly important in the insurance sector. We have set up a Best Practices Lab at the Group in order to foster the exchange of knowledge and innovation: here, international experts come together in "excellence teams" to discuss specific topics and develop new solutions together. These topics include pricing, sales, marketing, damage, fraud management, the customer service centre and digitalisation. The results and solutions conceived at the Best Practices Lab are made available to our companies so that they can use these to bring about lasting improvements to their processes and methods.

If our Best Practices Lab allows us to generate new solutions and ideas more quickly than currently anticipated, this could have a positive impact on our premium growth and financial performance, and could lead to us exceeding our forecasts.

Agility: Changes in the globalised world in the information era are taking place at an increasingly fast pace. The world is characterised by volatility, uncertainty, complexity and ambiguity (VUCA). As an insurer, in order to keep up with the speed of these changes, it is necessary for the Group to transform itself into an agile organisation. For us, being an agile organisation means being a learning organisation that puts the customer's benefit at the centre of its activities in order to increase the Group's profits. For this reason, we rely on interdisciplinary and creative teams, open and direct communication and flat hierarchies as well as practising the art of dealing with errors. Through numerous initiatives, we are supporting the transformation of our Group into an agile organisation. We design our workplaces in a way to shorten paths of communication and promote interdepartmental exchange. Furthermore, we are focusing on hybrid work and offer our employees in Germany the ability to complete up to 60% of their work remotely, i.e. outside of the office. This enables our employees to achieve a better work-life balance while at the same time maintaining face-to-face interaction among colleagues. Agility offers opportunities for customers, employees and investors. Customers can benefit from new insurance solutions that are tailored precisely to their needs. Employees have greater flexibility and scope for new ideas when they work in an agile manner and can grow with new challenges. Finally, when customers are satisfied and employees can leverage their full potential, investors benefit from increasing corporate profits.

If our transformation into an agile organisation is implemented more quickly than expected, this could have a positive impact on premium growth and profitability, causing us to exceed our forecasts.

Summary of future opportunities

Talanx AG's Board of Management considers identifying, managing and taking advantage of opportunities as an integral part of the Talanx Group's range of management tools. Our systematic approach sets out a clear strategy for ensuring the Group's long-term viability and its implementation. This is key to efficient enterprise and Group management. We therefore constantly monitor changing external market conditions to enable us to identify opportunities at an early stage and to respond to them via our flexible internal structure. This allows us to fully exploit future opportunities that are crucial to achieving our corporate goals.

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Consolidated balance sheet

as at 31 December 2024

ASSETS

EUR million	Notes			31.12.2024	31.12.2023[1]
A. Intangible assets					
a. Goodwill	1			1,592	1,611
b. Other intangible assets	2			693	782
				2,285	**2,393**
B. Insurance contract assets	3			1,618	1,049
C. Reinsurance contract assets	4			7,721	7,074
D. Investments					
a. Investment property	5		6,166		6,230
b. Shares in affiliated companies, associates, joint ventures and participating interests	6/7		1,068		3,355
c. Other financial instruments					
i. Financial instruments measured at amortised cost	8/12/13	982			954
ii. Financial instruments measured at fair value through other comprehensive income	9/12/13	118,174			109,210
iii. Financial instruments measured at fair value through profit or loss	10/12/13/14	17,578			15,276
f. Other investments	11/12/13		334		366
Investments for own risk			**144,302**		**135,390**
E. Investments for the account and risk of life insurance policyholders			14,138		12,478
Investments				**158,441**	**147,868**
F. Cash at banks, cheques and cash-in-hand				5,167	5,102
G. Deferred tax assets	25			1,206	1,358
H. Other assets	13/15			3,924	3,660
I. Non-current assets and assets of disposal groups classified as held for sale[2]				57	20
Total assets				**180,419**	**168,525**

[1] Adjusted, see "Accounting policies", section "Summary of significant accounting policies" of the Notes.
[2] For further information, see the "Non-current assets and disposal groups held for sale" section of these Notes.

EQUITY AND LIABILITIES

EUR million	Notes			31.12.2024	31.12.2023[1]
A. Equity	16				
a. Subscribed capital[2]		323			323
b. Reserves		11,338			10,124
Equity excluding non-controlling interests			**11,661**		**10,447**
c. Non-controlling interests in equity			6,834		6,347
Total equity				**18,495**	**16,793**
B. Subordinated liabilities	13/17/24		4,487		5,262
C. Insurance contract liabilities	18		139,315		130,264
D. Reinsurance contract liabilities			714		737
E. Other provisions					
a. Provisions for pensions and other post-employment benefits	19		1,647		1,722
b. Provisions for taxes	20		1,463		770
c. Miscellaneous other provisions	21		1,244		1,081
				4,354	**3,573**
F. Liabilities					
a. Notes payable and loans	13/22/24		3,881		3,395
b. Other liabilities	13/23/24		7,136		6,205
				11,017	**9,600**
G. Deferred tax liabilities	25		2,014		2,271
H. Liabilities included in disposal groups classified as held for sale[3]			23		25
Total liabilities/provisions				**161,923**	**151,731**
Total equity and liabilities				**180,419**	**168,525**

1 Adjusted, see “Accounting policies”, section “Summary of significant accounting policies” of the Notes.
2 The nominal amount is EUR 323 (323) million; the contingent capital is EUR 158 (158) million.
3 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 31 December 2024

EUR million	Notes			2024	2023
1. Insurance revenue	26		48,150		43,237
2. Insurance service expenses			−39,984		−37,059
3. a. Expenses from reinsurance contracts held			−7,045		−6,683
b. Income from reinsurance contracts held			3,993		3,738
Insurance service result				**5,114**	**3,234**
4. a. Investment income for own risk		6,555			5,523
b. Investment expenses for own risk		−2,675			−2,289
Net investment income for own risk	**27/28/29**	**3,880**			**3,235**
of which impairments and reversals of impairments on financial instruments		−3			−24
of which share of profit or loss of equity-accounted associates and joint ventures		47			32
4. c. Investment income for the account and risk of life insurance policyholders		1,926			1,486
d. Investment expenses for the account and risk of life insurance policyholders		−33			−72
Net investment income for the account and risk of life insurance policyholders		**1,893**			**1,414**
Net investment income			**5,772**		**4,649**
5. a. Insurance finance income and expenses from insurance contracts issued (including currency effects)		−5,884			−2,926
b. Insurance finance income and expenses from reinsurance contracts held (including currency effects)		361			−61
Net insurance financial result	**27**	**−5,523**			**−2,987**
Correction for currency result from net insurance financial result [1]		1,029			−532
Net insurance financial result before currency effects [1]			**−4,494**		**−3,519**
Net insurance financial and investment result before currency effects				**1,278**	**1,130**
6. a. Currency result on investments			957		−459
b. Currency result on net insurance financial result [1]			−1,029		532
c. Other currency result			−6		13
Net currency result				**−79**	**87**
7. a. Other income			903		742
b. Other expenses			−2,304		−2,125
Other income/expenses	**30**			**−1,400**	**−1,383**
Profit before goodwill impairments				**4,913**	**3,068**
8. Goodwill impairments				—	—
Operating profit/loss (EBIT)				**4,913**	**3,068**
9. Financing costs	31			−227	−234
10. Taxes on income	32			−1,402	−289
Net income				**3,284**	**2,545**
of which attributable to non-controlling interests				1,307	964
of which attributable to shareholders of Talanx AG				1,977	1,581
Earnings per share					
Basic earnings per share (EUR)				7.65	6.21
Diluted earnings per share (EUR)				7.65	6.21

[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 31 December 2024

EUR million	2024	2023
Net income	**3,284**	**2,545**
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	49	–83
Tax income (expense)	–15	24
	34	**–59**
Unrealised gains and losses on investments (equity instruments)		
Gains (losses) for the period recognised in other comprehensive income	–28	225
Tax income (expense)	14	–38
	–14	**187**
Exchange differences on translating foreign operations		
Gains (losses) for the period recognised in other comprehensive income	14	–8
Tax income (expense)	1	–1
	14	**–9**
Total items that will not be reclassified to profit or loss, net of tax	**34**	**119**
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	177	4,075
Reclassified to profit or loss	383	602
Tax income (expense)	–144	–1,361
	416	**3,316**
Insurance finance income or expenses from insurance contracts issued		
Gains (losses) for the period recognised in other comprehensive income	–1,162	–3,818
Reclassified to profit or loss	—	—
Tax income (expense)	515	1,163
	–647	**–2,655**
Insurance finance income or expenses from reinsurance contracts held		
Gains (losses) for the period recognised in other comprehensive income	119	180
Reclassified to profit or loss	—	—
Tax income (expense)	–157	–122
	–38	**58**
Exchange differences on translating foreign operations		
Gains (losses) for the period recognised in other comprehensive income	306	–278
Reclassified to profit or loss	–3	–2
Tax income (expense)	–5	65
	298	**–216**
Changes from cash flow hedges		
Gains (losses) for the period recognised in other comprehensive income	–21	–16
Reclassified to profit or loss	–39	–24
Tax income (expense)	19	11
	–41	**–30**
Changes from equity method measurement		
Gains (losses) for the period recognised in other comprehensive income	22	–28
Reclassified to profit or loss	—	—
Tax income (expense)	—	—
	22	**–28**
Other changes		
Gains (losses) for the period recognised in other comprehensive income	—	—
Reclassified to profit or loss	—	—
Tax income (expense)	—	—
	—	**—**
Total items that may be reclassified subsequently to profit or loss, net of tax	**9**	**446**
Other comprehensive income for the period, net of tax	**44**	**565**
Total comprehensive income for the period	**3,328**	**3,110**
of which attributable to non-controlling interests	1,454	1,071
of which attributable to shareholders of Talanx AG	1,874	2,039

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	—	—	–156	–1
Other changes in basis of consolidation	—	—	—	—
Net income	—	—	1,977	—
Other comprehensive income	**—**	**—**	**—**	**390**
of which not eligible for reclassification	**—**	**—**	**—**	**–15**
of which actuarial gains or losses on pension provision	—	—	—	—
of which currency translation	—	—	—	—
of which unrealised gains and losses on investments (equity instruments)	—	—	—	–15
of which eligible for reclassification	**—**	**—**	**—**	**405**
of which unrealised gains and losses on investments (debt instruments)	—	—	—	405
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	**—**	**—**	**1,977**	**390**
Capital decreases	—	—	—	—
Dividends to shareholders	—	—	–607	—
Unrealised gains and losses on disposal of investments (equity instruments) measured at fair value through other comprehensive income [1]	—	—	88	
Other changes outside profit or loss	—	—	—	—
Balance at 31.12.2024	**323**	**1,685**	**10,352**	**–5,507**

				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
6,273	**8**	**−355**	**−508**	**−131**	**10,447**	**6,347**	**16,793**
11	−1	6	—	—	−141	−448	−589
—	—	—	—	—	—	3	3
—	—	—	—	—	1,977	1,307	3,284
−493	**−18**	**20**	**41**	**−43**	**−103**	**147**	**44**
—	**—**	**11**	**30**	**—**	**26**	**8**	**34**
—	—	—	30	—	30	3	34
—	—	11	—	—	11	4	14
—	—	—	—	—	−15	1	−14
−493	**−18**	**9**	**11**	**−43**	**−129**	**139**	**9**
—	—	—	—	—	405	11	416
−493	—	—	—	—	−493	−154	−647
—	−18	—	—	—	−18	−21	−38
—	—	9	—	—	9	289	298
—	—	—	—	−43	−43	2	−41
—	—	—	11	—	11	11	22
−493	**−18**	**20**	**41**	**−43**	**1,874**	**1,454**	**3,328**
—	—	—	—	—	—	−2	−2
—	—	—	—	—	−607	−530	−1,137
—	—	—	—	—	88	9	97
—	—	—	—	—	—	1	1
5,790	**−10**	**−329**	**−467**	**−174**	**11,661**	**6,834**	**18,495**

EUR million	Subscribed capital	Capital reserves	Retained earnings	Unrealised gains and losses on investments
2023				
Balance at 01.01.2023	**317**	**1,394**	**7,998**	**−8,583**
Changes in ownership interest without a change in control	—	—	−1	—
Other changes in basis of consolidation	—	—	—	—
Net income	—	—	1,581	—
Other comprehensive income	**—**	**—**	**—**	**2,686**
of which not eligible for reclassification	**—**	**—**	**—**	**141**
of which actuarial gains or losses on pension provision	—	—	—	—
of which currency translation	—	—	—	—
of which unrealised gains and losses on investments (equity instruments)	—	—	—	141
of which eligible for reclassification	**—**	**—**	**—**	**2,545**
of which unrealised gains and losses on investments (debt instruments)	—	—	—	2,545
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	**—**	**—**	**1,581**	**2,686**
Capital increases	6	291	—	—
Dividends to shareholders	—	—	−507	—
Unrealised gains and losses on disposal of investments (equity instruments) measured at fair value through other comprehensive income [1]	—	—	−8	—
Other changes outside profit or loss	—	—	−15	—
Balance at 31.12.2023	**323**	**1,685**	**9,050**	**−5,897**

[1] The unrealised gains and losses from the disposal of investments measured at fair value through other comprehensive income (equity instruments) were reclassified from other comprehensive income from the item “Unrealised gains and losses from investments (equity instruments)” to retained earnings.

		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**
—	—	—	—	—	−1	−2	−3
—	—	—	—	—	—	−10	−10
—	—	—	—	—	1,581	964	2,545
−2,100	**20**	**−48**	**−70**	**−29**	**458**	**107**	**565**
—	**—**	**−5**	**−54**	**—**	**82**	**37**	**119**
—	—	—	−54	—	−54	−5	−59
—	—	−5	—	—	−5	−4	−9
—	—	—	—	—	141	46	187
−2,100	**20**	**−44**	**−16**	**−29**	**376**	**70**	**446**
—	—	—	—	—	2,545	770	3,316
−2,100	—	—	—	—	−2,100	−555	−2,655
—	20	—	—	—	20	39	58
—	—	−44	—	—	−44	−173	−216
—	—	—	—	−29	−29	—	−30
—	—	—	−16	—	−16	−11	−28
−2,100	**20**	**−48**	**−70**	**−29**	**2,039**	**1,071**	**3,110**
—	—	—	—	—	297	28	325
—	—	—	—	—	−507	−432	−939
—	—	—	—	—	−8	—	−8
—	—	—	—	—	−15	—	−15
6,273	**8**	**−355**	**−508**	**−131**	**10,447**	**6,347**	**16,793**

Consolidated statement of cash flows

for the period from 1 January to 31 December 2024

EUR million	2024	2023
I. 1. Net income	3,284	2,545
I. 2. Changes in insurance contracts issued	6,937	8,484
I. 3. Changes in reinsurance contracts held	−495	526
I. 4. Changes in other receivables and liabilities	1,269	1,145
I. 5. Other non-cash expenses and income (including income tax expense/income)	−2,564	−4,605
I. Cash flows from operating activities [1, 2]	**8,431**	**8,095**
II. 1. Cash outflows for the purchase of real estate	−295	−461
II. 2. Cash inflows from the sale of real estate	55	52
II. 3. Cash outflows for the purchase of unconsolidated companies	−162	−116
II. 4. Cash inflows from the sale of unconsolidated companies	222	25
II. 5. Cash outflows for the purchase of consolidated companies	−299	−1,299
II. 6. Cash inflows from the sale of consolidated companies	—	60
II. 7. Cash outflows for the purchase of investments measured at amortised cost	−95	−196
II. 8. Cash inflows from the sale of investments measured at amortised cost	79	96
II. 9. Cash outflows for the purchase of investments measured at fair value through other comprehensive income	−44,268	−33,776
II. 10. Cash inflows from the sale of investments measured at fair value through other comprehensive income	38,147	31,763
II. 11. Cash outflows for the purchase of investments measured at fair value through profit or loss	−8,274	−6,829
II. 12. Cash inflows from the sale of investments measured at fair value through profit or loss	7,480	6,081
II. 13. Changes in short-term investments	351	−117
II. 14. Cash outflows for the purchase of other investments	−10,777	−16,336
II. 15. Cash inflows from the sale of other investments	10,955	16,147
II. 16. Other changes	86	−125
II. Cash flows from investing activities	**−6,794**	**−5,029**
III. 1. Proceeds from long-term liabilities	765	1,155
III. 2. Repayments of long-term liabilities	−1,200	−2,024
III. 3. Cash inflows from capital increases	—	325
III. 4. Cash outflows from capital reductions	−2	—
III. 5. Changes in ownership interests in a subsidiary that do not result in a loss of control	−10	−3
III. 6. Dividends paid	−1,137	−939
III. Cash flows from financing activities [2]	**−1,584**	**−1,485**
Net change in cash and cash equivalents (I. + II. + III.)	**53**	**1,582**
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	**14**	**−76**
Effect of changes in the basis of consolidation on cash and cash equivalents [3]	**−1**	**—**
Cash and cash equivalents at the end of the reporting period [4]	**5,167**	**5,102**

[1] EUR 829 (542) million of “income taxes paid”, EUR 424 (346) million of “dividends received” and EUR 4.565 (3.849) 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 229 (215) million of the “interest paid” is attributable to “Cash flows from financing activities” and EUR 598 (358) 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.

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

Notes

General information

The consolidated financial statements include the financial statements for Talanx AG and its subsidiaries (referred to collectively as the Talanx Group). The Group, which is active either directly or via partnerships in more than 175 countries worldwide, offers services in the fields of property/casualty insurance, life insurance and reinsurance, plus asset management.

Talanx AG's registered office is at HDI-Platz 1, 30659 Hannover, Germany. The Company is entered in the commercial register of the Hannover District Court under the number HR B 52546. Talanx AG is the financial and management holding for the Group and also acts operationally as the Group's internal reinsurer for primary insurance.

HDI Haftpflichtverband der Deutschen Industrie Versicherungsverein auf Gegenseitigkeit (HDI V.a.G.), the Hannover-based parent company, is the majority shareholder of Talanx AG, with 76.74% (76.74%). HDI V.a.G. is required by section 341i of the German Commercial Code (HGB) in conjunction with section 290 HGB to prepare consolidated financial statements that include the financial statements of Talanx AG and its subsidiaries. HDI V.a.G.'s consolidated financial statements are published in the Bundesanzeiger (Federal Gazette).

Basis of preparation and application of IFRSs

The Talanx Group's consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and with the additional requirements of German commercial law in accordance with section 315e(1) of the HGB.

IFRS 17 – Insurance Contracts requires disclosures to be made about the nature and extent of risks associated with insurance contracts, while IFRS 7 – Financial Instruments: Disclosures requires similar disclosures on risks associated with financial instruments. Additionally, section 315(2) no. 1 of the HGB requires insurance undertakings to disclose in the management report how they manage underwriting and financial risks. This information can be found in the risk report in the Group management report. Please see the Technical risks section of the Group management report for the corresponding disclosures in accordance with IFRS 17, and the Risks from investments section for disclosures in accordance with IFRS 7. These sections of the Group management report form an integral part of these Notes. Both the risk report and the disclosures in the Notes must be consulted to obtain a full overview of the Group's risk position. To assist in comprehension, we have added cross references to the corresponding disclosures in both the risk report and the Notes.

The consolidated 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.

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

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

The following standard amendments have been passed, but 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	Lack of exchangeability	1 January 2025

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

b) EU endorsement pending

On 9 April 2024, the IASB published the new IFRS 18 – Presentation and Disclosure in Financial Statements. IFRS 18 will replace IAS 1 in the future.

It will require companies to categorise all items of income and expense included in the statement of profit or loss into five categories: the operating category, the investing category, the financing category, the income taxes category, and the discontinued operations category. Companies will also be required to disclose a newly defined subtotal for operating profit or loss. Companies' net profit or loss for the reporting period will not change.

Certain company-specific key performance indicators (known as management-defined performance measures or MPMs) will be disclosed in a separate note to the financial statements.

Improved guidelines for grouping information within the financial statements will be introduced.

In addition, all companies will be required to use profit before interest and income taxes as the starting point for the statement of cash flows when disclosing cash flow from operating activities using the indirect method.

The Group is currently evaluating the possible impact of the new standard, particularly with regard to the structure of the consolidated statement of profit and loss, the statement of cash flows and the additional disclosure requirements for MPMs. The Group is also assessing the impact on the way information is grouped in the financial statements, including items currently categorised as Other.

The new standard is to be applied in financial years beginning on or after 1 January 2027.

The following amendments to standards were also adopted, but 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]
IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures	Changes in the classification and measurement of financial instruments	1 January 2026
IFRS 1 – First-time Adoption of International Financial Reporting Standards, IFRS 7, IFRS 9, IFRS 10 – Consolidated Financial Statements, IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11	01 January 2026
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

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

Introduction of global minimum taxation

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 a top-up tax equal to 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.

On the basis of the data from the HDI Group's qualified country-by-country reporting (qCbCR) for 2023 and the financial reporting data for 2024, the Talanx Group was domiciled in 45 jurisdictions with companies and subsidiaries 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 showed that in 36 jurisdictions, a top-up tax will not need to be paid for the 2024 financial year. Provisions totalling EUR 119 million were recognised in the reporting period for anticipated top-up tax expenses in 2024 for the jurisdictions of Bermuda, the Cayman Islands, Hong Kong, Ireland, New Zealand, Singapore, South Korea, Hungary and Uruguay. This resulted in a 2.5% increase in the effective tax rate of the Talanx Group.

Accounting policies

The material accounting policies applied during the preparation of the consolidated financial statements are presented below. Accounting standards requiring to be applied for the first time in financial year 2024 are described in the Basis of preparation and application of IFRSs section on pages 235 ff., while the consolidation principles are described in the Consolidation section on pages 263 ff.

The Retail Germany Division's two segments Property/Casualty and Life were combined into one Retail Germany segment as a result of a resolution of the Board of Management on 7 October 2024. As a result, the Retail Germany segment is presented as intra-consolidated. As a result, there will be slight deviations in the Retail Germany segment and the consolidation column for the 2023 financial year.

Significant management judgement and estimates

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.

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.

Judgements, assumptions and estimates are particularly relevant in the case of the following items:

- **Goodwill** (see Impairment test section in Note 1, Goodwill)
- **Fair value and impairment of financial instruments** (see Note 13, Fair value hierarchy – financial instruments as well as the disclosures on determining fair values and the expected credit loss allowance given in the Accounting policies section).
- **Deferred tax assets** (see Notes 25 and 32 and the information on the availability of future taxable profit against which tax loss carryforwards can be utilised in the Accounting policies section)
- **Leases** (see the Other balance sheet items section under Leases, and the Other disclosures section in the Notes to the consolidated financial statements)
- **Assets and liabilities arising from issued contracts issued and assets and liabilities arising from reinsurance contracts held** (see Notes 4 and 18 and the Accounting policies section)
- **Provisions for pensions and other post-employment benefits** (see disclosures on material actuarial assumptions in Note 19)
- **Other provisions** and **contigent liabilities** (see Note 21 and the explanations in the Accounting policies and Other disclosures sections of the consolidated financial statements)
- **Basis of consolidation** (see the Consolidation principles subsection – and in particular the information therein on the inclusion of investment funds managed by the Group or third parties)

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. The Group had incurred claims expenses (provisions including payments) of EUR 900 (425) million (Property/Casualty Reinsurance: EUR 793 (382) million, Corporate & Specialty: EUR 107 (43) million) as at 31 December 2024. In the reporting period, our expenses for these claims increased significantly compared to the previous year. However, 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.

The conflict in Ukraine and its repercussions impacted global raw materials and energy prices and hence inflation rates. Inflation is taken into account in our reserving process at a minimum using average past inflation rates. In addition, realistic inflation assumptions are made when calculating premiums and additional provisions are recognised during the reserving process for the individual underwriting years, also permitting changes in inflation to be partially offset. Index clauses also protect a substantial share of the business from negative inflation effects. Inflation-linked bonds in the Group's investment portfolio act as a partial hedge against inflation. A scenario analysis was performed to ensure that inflation is adequately taken into account in the technical provisions. The various future inflation scenarios were compared to historically observed rates so as to estimate the potential effect on technical provisions. The scenarios observed include ones featuring longer periods of higher inflation. However, we currently expect inflation rates to be above the central banks' targets.

Summary of significant accounting policies

Technical balance sheet items

Classification of insurance contracts issued and reinsurance contracts held, and separation of components

A contract must be classified as an insurance contract issued or a reinsurance contract held if it results in the assumption or transfer of a significant insurance risk. In addition, the Group is exposed to financial risk through its insurance contracts and reinsurance contracts. The same rules are used to treat these types of contracts, regardless of whether the contracts concerned are issued, acquired in the course of a business combination, or acquired in a transfer of insurance contracts that do not form a business. Contracts that have the legal form of an insurance contract but do not transfer any significant insurance risk are classified as investment contracts. The recognition and measurement of such contracts is performed in line with the rules governing the accounting treatment of financial instruments under IFRS 9.

Level of aggregation

Insurance contracts are allocated to portfolios in those cases in which the contracts are exposed to the same risk and are managed together. They are allocated on the basis of the main risk for the contract. On initial recognition, the contracts within a portfolio are grouped into three groups of contracts issued within a single calendar year. These annual cohorts comprise a) contracts that are onerous, b) contracts that have no significant possibility of becoming onerous in subsequent periods and c) any remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Reinsurance contracts held within a portfolio are divided into three groups on the basis of profitability criteria and annual cohorts. With regard to the expected profitability at the date of initial recognition, a distinction is made between contracts that a) are onerous in the net view, b) have no significant possibility of becoming onerous in subsequent periods and c) a group of the remaining contracts. Contracts are not allocated to different groups only because law or regulation specifically constrains the Group's practical ability to set a different price or level of benefits for policyholders with different characteristics (e.g. unisex policies). The exemption under IFRS 17.20 is only applied within the Group to motor vehicle insurance in Türkiye and to bancassurance contracts in the Polish life insurance business. Insurance contracts that have been allocated to specific groups are not reassessed in subsequent periods. Aggregation has a number of different effects on the measurement of insurance contracts.

Accounting treatment

A group of insurance contracts is recognised when the coverage period begins, or on the date when the first payment from a policyholder for their first contract becomes due, unless facts and circumstances indicate that the group of insurance contracts is onerous. Additional contracts can be added to an existing group of insurance contracts after initial recognition provided that the aggregation criteria are met.

Reinsurance contracts held are accounted for as a separate group of reinsurance contracts per contract as from the start of the coverage period for the group. In the case of reinsurance contracts held that provide proportionate coverage, initial recognition of the group of reinsurance contracts is performed either at the start of the coverage period or on the date on which any underlying insurance contract is initially recognised, where this is later. If, however, an onerous group of underlying contracts is recognised before the start of the coverage period of the group of reinsurance contracts held, the reinsurance contract held is recognised on the same date as the group of underlying contracts. The composition of the groups is not reassessed in subsequent periods. The reinsurance contracts held are entered into on the basis of the underwriting year or the accident year.

Measurement

IFRS 17 provides for three measurement approaches: the general measurement model (GMM), the variable fee approach (VFA) and the premium allocation approach (PAA). These apply to different lines of business when certain requirements and conditions are met. The Group distinguishes between a pre-claims phase (liability for remaining coverage) and a claims phase once the insured event has occurred (liability for incurred claims) in the case of all measurement models.

When measuring insurance and reinsurance contracts, the measurement method to be used to estimate the risk adjustments for non-financial risk and the volume of services to be provided under the contract must be determined. The measurement of insurance and reinsurance contracts is associated with assumptions and estimation uncertainties. Information on the assumptions made in the course of measuring insurance and reinsurance contracts can be found in Note 18. Changes in material assumptions regarding discount rates (including illiquidity premiums), property insurance claims development and future cash flows relating to mortality, invalidity, policyholder behaviour, participation percentages and differences between crediting rates and discount rates may lead to significant differences in the fulfilment cash flows in the following financial year. These changes do not affect the reported carrying amounts of the insurance or reinsurance contracts (unless these result from onerous contracts or do not relate to future service). However, they may lead to an adjustment to the contractual service margin, among other things, in those cases in which the GMM or VFA measurement models are used.

General measurement model and variable fee approach

The general measurement model (GMM) is the basic model used to recognise insurance contracts under IFRS 17. The GMM is based on the prospective cash flows, which are discounted for the time value of money, the individual financial risks and the uncertainty of the cash flows involved. The GMM is used in the Reinsurance segments and for contracts that fall outside the scope of the other two approaches – the VFA and the PAA.

The VFA is a modified form of the GMM. We apply the VFA to business in which the policyholder participates directly in profits, including the valuation of unit-linked insurance contracts; primarily in the Retail Germany and Retail International segments.

Initial measurement

On initial recognition, the Group measures a group of insurance contracts as the total of:

- the fulfilment cash flows, which comprise estimates of future cash flows, an adjustment to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk and
- the contractual service margin (CSM).

Fulfilment cash flows

Cash flows within the boundary of an insurance contract are those that relate directly to the fulfilment of the contract, including cash flows for which the Group has discretion over the amount or timing. These cash flows comprise payments to or in the name of policyholders, insurance acquisition cash flows and other costs incurred in fulfilling the contract. Other costs incurred in fulfilling the contract include loss adjustment expenses, policy administration and maintenance costs, and recurring commissions in connection with premiums paid in instalments that fall due within the contract boundaries. In addition to these direct costs, fixed and variable overheads are systematically allocated to groups of contracts.

The fulfilment cash flows of a group of insurance contracts do not reflect the Group's non-performance risk.

Risk adjustment

The risk adjustment for a group of insurance contracts corresponds to the compensation demanded by the Group for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk. In the case of reinsurance contracts held, the risk adjustment is the risk that is transferred by the Group to the reinsurer.

Contractual service margin (CSM) for insurance contracts issued

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued. It represents the unearned profit that the Group will recognise as it provides insurance contract services in the future.

Except in the case of an onerous group of contracts or where previously recognised cash flows are derecognised, the CSM does not normally lead on initial recognition to income or expenses from

- the initial recognition of the fulfilment cash flows
- cash flows arising from the contracts in the group at the date of initial recognition
- the derecognition of assets for insurance acquisition cash flows and
- the derecognition of other cash flows recognised in previous periods. Insurance revenue and insurance service expenses are recognised directly for these types of derecognised assets.

If this results in a net cash inflow, the CSM is measured at the equal but opposite amount to the net cash inflow. In the case of a net cash outflow (for contracts not measured using the PAA), the group of contracts is onerous and the net cash outflow is recognised in profit or loss.

In the case of groups of contracts acquired in the course of a transfer of contracts or a business combination, the consideration received for the contracts is used as a proxy for the premiums received on acquisition. In the case of business combinations, the consideration received corresponds to the fair value of the contracts on the acquisition date.

Contractual service margin (CSM) for reinsurance contracts held

On initial recognition, the CSM for a group of reinsurance contracts corresponds to the net cost or net gain on purchase, unless the net cost on purchase of the reinsurance relates to events in the past; in such cases, the net cost is expensed immediately in profit or loss. The CSM is calculated in the same way as the CSM for insurance contracts issued. An exception applies to assets for insurance acquisition cash flows, which are not applicable to the reinsurance business. Where the Group recognises a loss on the initial recognition of an onerous group of underlying insurance contracts or on additions of onerous underlying insurance contracts to this group of contracts, the income must be recognised in profit or loss.

A loss-recovery component is recognised or adjusted for remaining coverage for reinsurance contracts held in the amount of the income recognised in the case of an onerous group of underlying insurance contracts. This amount is calculated by multiplying the loss recognised on the underlying insurance contracts by the percentage of claims under the underlying insurance contracts which the Group expects to recover from the group of reinsurance contracts held in those cases in which the contracts held are entered into before or at the same time as the loss from onerous underlying insurance contracts is recognised.

In the case of reinsurance contracts with onerous underlying contracts that are acquired in the course of a transfer or business combination, the adjustment is made in a similar manner to that explained above, with the exception that measurement is based on the acquisition date.

Subsequent measurement

The carrying amount of a group of insurance contracts at the end of each reporting period is the sum of the liability for remaining coverage and the liability for incurred claims.

- The liability for remaining coverage consists of the fulfilment cash flows related to future service allocated to the group of contracts at that date, the risk adjustment for non-financial risk and the CSM for the group of contracts at the end of the reporting period
- The liability for incurred claims comprises the fulfilment cash flows for claims incurred plus expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The liability for incurred claims is measured in the same way in all three measurement models, with the exception of the interest rates used for discounting, which are established on initial recognition.

The asset for remaining coverage for reinsurance contracts held is recognised in the same way as for insurance contracts issued.

Fulfilment cash flows

The figure for the fulfilment cash flows plus the estimates for current assumptions made by the Group in earlier interim consolidated financial statements is updated at the end of each reporting period using current estimates of the amount, timing and uncertainty of the future cash flows and discount rates. The Group allocates the insurance finance income or expenses between profit or loss and other comprehensive income. Systematic allocation is ensured by using the discount rate applied on initial recognition.

The treatment of changes in the estimated insurance acquisition cash flows for contracts measured under the GMM depends on the estimate used. Changes relating to current or past services are recognised in profit or loss, whereas changes relating to future service are accounted for by adjusting the CSM or the loss component within the liability for remaining coverage.

Contractual service margin

The CSM for each group of contracts is recalculated at the end of each reporting period in accordance with the requirements of IFRS 17. This means that net income is not affected by the treatment of accounting estimates made in earlier interim financial statements.

Premium allocation approach (PAA)

The premium allocation approach (PAA) is a simplified approach that is applicable to certain types of short-term insurance and reinsurance contracts held. Under the PAA, premiums are recognised on the basis of appropriate timelines for receipts (e.g. a linear method). The PAA can be used for contracts with a coverage period of less that twelve months or for contracts for which the measurement of the liability for remaining coverage does not differ materially from measurement under the GMM in those cases in which the coverage period extends for more than twelve months. When comparing the different possible measurements, the Group takes into account the effects of the different potential timelines for reversing the liability for remaining coverage to profit or loss and the effects of the time value of money. This criterion is not met if significant variability in the fulfilment cash flows is expected during the period before a claim is incurred. The Group uses the PAA in property/casualty primary insurance, provided the contracts meet the above requirements.

Initial recognition

The carrying amount of the liability for remaining coverage is measured on initial recognition on the basis of the premiums received, less the insurance acquisition cash flows allocated to the group of contracts at this date and adjusted for amounts from the derecognition of assets or liabilities previously recognised for the cash flows that relate to the group. The Group has decided not to expense insurance acquisition cash flows when these are incurred.

Subsequent measurement

Changes in the liability for remaining coverage result from:

- the premiums received in the period
- amortisation of the insurance acquisition cash flows expensed during the period
- the insurance services provided that were reported as insurance revenue during the period
- the additional insurance acquisition cash flows allocated following initial recognition
- any adjustment to a financing component.

The Group does not accrete interest on the liability for remaining coverage if a group of insurance contracts only contains contracts with coverage periods of one year or less; in all other cases, the time value of money is included in the liability for remaining coverage.

If at any time during the coverage period facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in the statement of income and increases the liability for remaining coverage, to the extent that the current estimates of the fulfilment cash flows that relate to the remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows are discounted (at current interest rates) if the liability for incurred claims is also discounted.

The liability for incurred claims is recognised for a group of insurance contracts in the amount of the fulfilment cash flows that relate to incurred claims. The liability is discounted to account for the time value of money if the maximum claims adjustment period is in excess of one year; in this case, current interest rates are used. The discount rate is determined as at the date on which the claim was incurred. The Group has decided to allocate the insurance finance income or expenses between profit and loss and other comprehensive income. Systematic allocation is ensured under the PAA by applying the average interest rate on the date on which the claim was incurred.

Reinsurance contracts held

The accounting policies described above are also applied to reinsurance contracts held, subject to the following adjustments for onerous underlying insurance contracts.

If a loss-recovery component is established for a group of reinsurance contracts, the asset for remaining coverage is adjusted by the carrying amount of this component.

Investment component

The investment component of an insurance contract is defined as the amount that the entity is contractually required to repay to the policyholder even if the insured event does not occur. Investment components are not included in either insurance revenue or insurance service expenses; instead, they are accounted for under IFRS 9. Examples of investment components include incoming and outgoing payments of primary life insurance savings components and certain commissions paid to cedants.

Assets for insurance acquisition cash flows

Assets for insurance acquisition cash flows consist of those insurance acquisition cash flows that are allocated to future insurance contracts until the expected contracts are recognised. The assets are tested for impairment at the end of each reporting period; any irrecoverable amounts are recognised in profit or loss.

Investments and financial instruments

Investment property is always recognised at cost. Straight-line depreciation is charged over the expected useful life, up to a maximum of 50 years. An impairment loss is recognised if the difference between the market value determined using recognised valuation techniques (recoverable amount) and the carrying amount is less than the depreciation recognised in a calendar year. Appraisals of the directly held portfolio are performed by internal Group experts using the German income capitalisation approach; external appraisals are produced every five years. By contrast, investment property that is used to cover technical liabilities (VFA) is measured at fair value through profit or loss in line with the practical expedient set out in IAS 40.32A. In this case, the market value determined using an appraisal is used as the fair value of the property concerned. In the case of investment property measured at fair value and of special real estate funds, an external market value appraisal is obtained every twelve months, with the end of the reporting period being the reporting date for the initial appraisal.

Gains or losses from the disposal of properties, maintenance costs and repairs, depreciation and any impairment losses or their reversal are recognised in profit or loss under Net investment income.

The **Shares in affiliated companies, associates, joint ventures and participating interests** item comprises all strategic investments in subsidiaries that are not consolidated due to their insignificance for the presentation of the Group's assets, liabilities, financial position and financial performance, and other strategic investments. These are measured at fair value through profit or loss in some cases and at fair value through other comprehensive income in others. This item also includes all shares in strategic associates and joint ventures. Material associates and joint ventures are accounted for using the equity method. Following initial recognition, the consolidated financial statements contain the Group's share of the overall profit or loss from these investments. Shares in immaterial associates and joint ventures are either measured at fair value through other comprehensive income or at fair value through profit or loss.

Unconsolidated shares in affiliated companies and participating interests that are held as financial investments are recognised as financial instruments at fair at value through profit or loss in the Equity instruments item. Investments in associates and joint ventures that are used to cover liabilities from insurance contracts with discretionary surplus participation features (VFA) are measured at fair value through profit or loss and reported in the Other financial instruments item. Minor investments in associates and joint ventures that are held as investments are also reported in the Other financial instruments item either as financial instruments measured at fair value through other comprehensive income or as financial instruments at fair value through profit or loss under the equity instruments.

Financial instruments are recognised and derecognised at the settlement date on acquisition or disposal in accordance with IFRS 9. Financial assets are assigned to one of the following three categories on initial recognition, depending on their purpose: financial instruments measured at amortised cost (AC), financial instruments at fair value through other comprehensive income (FVOCI) or financial instruments measured at fair value through profit or loss (FVPL). Financial liabilities are classified either as financial instruments measured at fair value through profit or loss or as financial instruments measured at amortised cost. Transaction costs directly connected with the acquisition of the financial instrument are added or deducted depending on the classification used.

Subsequent measurement of financial instruments is either at amortised cost or at fair value. Amortised cost is calculated on the basis of the original cost of the instrument, after allowing for redemption amounts, premiums or discounts amortised using the effective interest method and recognised in profit or loss, and any impairment losses or reversals of impairment losses.

The debt instruments held are reported at amortised cost (AC) and measured at amortised cost in subsequent periods using the effective interest method if the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows and the contractual cash flows are solely payments of principal and interest (SPPI). At the Talanx Group, this business model primarily consists of investments whose premature disposal is generally uncommon (e.g. mortgage loans).

Debt instruments are classified as financial instruments measured at fair value through other comprehensive income (FVOCI) if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and by selling the instruments, and the contractual cash flows meet the SPPI requirement. Financial assets allocated to the FVOCI category are measured at fair value, with all changes in the fair value being recognised in other comprehensive income after adjustment for accrued interest and deferred taxes, and reported in equity under the Other reserves item. Premiums and discounts are amortised over the term of the instruments using the effective interest method. A large proportion of the Group's investments are assigned to the business model whose objective is to collect contractual cash flows and to sell the investments, since they are largely used cover underwriting risk and sales are therefore influenced by the need to meet these obligations.

There is an option to designate equity instruments on initial recognition as measured at fair value through other comprehensive income without reclassifying them to profit or loss ("recycling"). In this case the changes in fair value are recognised directly in other comprehensive income. In contrast to the procedure used for debt instruments assigned to this category, the amounts recognised in other comprehensive income are not reclassified to profit or loss even on disposal and are instead reclassified to retained earnings within equity. The Group uses this option selectively in the case of equities and unconsolidated participating interests.

Financial instruments measured at fair value through profit or loss (FVPL) include all equity instruments that were not designated as measured at fair value through other comprehensive income without subsequent recycling, plus all debt instruments whose cash flows do not meet the SPPI criteria or that are not held within business models whose objective is achieved by collecting contractual cash flows or by collecting contractual cash flows and selling the instruments. These primarily comprise complex structured products, units in investment funds and private equity interests, short-term investments and investments under investment contracts for which payments of principal and interest are not the main factors influencing the holding period. In addition, all derivative assets used for investment purposes are measured at fair value through profit or loss and are reported in this category if their fair values are positive. Derivatives that are not used for investment purposes are reported under the Other assets item, but are still measured at fair value through profit or loss. Derivatives with negative fair values are recognised in Other liabilities. All securities measured at fair value through profit or loss are carried at their fair value at the reporting date. If no market prices are available that can be used to determine the fair values, the carrying amounts of the financial instruments concerned are determined using accepted valuation techniques. All unrealised measurement gains and losses of this kind and all realised gains and losses are recognised in profit or loss under Net investment income.

The individual balance sheet items for investments are reconciled to the IFRS 7 classes of financial instruments in the relevant Notes.

Derivatives designated as hedging instruments (hedge accounting) are recognised at their fair value under Investments or under Other assets or Other liabilities, depending on the type of underlying concerned. The method used to recognise gains and losses on subsequent measurement depends on the type of risk that was hedged. The Group designates certain derivatives as fair value hedges. By contrast, other derivatives are used to hedge exposures to variability in cash flows attributable to a particular risk associated with a recognised liability or asset, or a highly probable forecasted transaction (cash flow hedges).

Fair value measurement: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of financial instruments are determined on the basis of current, publicly available, unadjusted market prices. Where prices are quoted on markets for financial instruments, the bid price/traded price is used. Financial liabilities are measured at the ask price at the end of the reporting period. In the event that no current market price is available, they are measured using established financial models on the basis of current and observable market data. The following table shows the valuation techniques used to measure fair values. Financial assets for which publicly available prices or observable market data are not available (Level 3 financial instruments) are mainly measured with the assistance of independent professional experts using plausibility checks (e.g. audited net asset values). Please see the disclosures in Note 13 for further details.

MEASUREMENT MODELS FOR DETERMINING FAIR VALUE

Financial instrument	Pricing method	Input parameter	Pricing model
Debt instruments			
Unlisted plain vanilla bonds	Theoretical price	Yield curve	Present value method
Unlisted structured bonds	Theoretical price	Yield curve,, volatility surfaces, correlations	Hull-White and other interest rate models
ABSs/MBSs for which no market prices are available	Theoretical price	Prepayment speed, incurred losses, default probabilities, recovery rates	Present value method
CDOs/CLOs	Theoretical price	Prepayment speed, risk premiums, default rates, recovery rates, redemptions	Present value method
Equities and funds			
Unlisted equities	Theoretical price	Cost, cash flows, EBIT multiples, expert opinions, carrying amount where applicable	NAV method [1]
Unlisted equities funds, real estate funds and bond funds	Theoretical price	Audited net asset value (NAV) [1]	NAV method [1]
Other investments			
Private equity funds/private equity real estate funds	Theoretical price	Audited net asset value (NAV) [1]	NAV method [1]
Derivative financial instruments			
Listed equity options	Quoted price	—	—
Equity and index futures	Quoted price	—	—
Interest rate and bond futures	Quoted price	—	—
Plain vanilla interest rate swaps	Theoretical price	Yield curve	Present value method
Cross currency swaps	Theoretical price	Yield curve, spot exchange rate	Present value method
Total return swaps	Theoretical price	Listed price of the underlying, yield curve	Present value method
OTC equity options, OTC equity index options	Theoretical price	Listed price of the underlying, implied volatilities, money market rate, dividend yield	Black-Scholes
Currency forwards	Theoretical price	Spot and forward rates	Present value method
Interest rate futures (forward purchases, forward sales)	Theoretical price	Yield curve	Present value method
Credit default swaps	Theoretical price	Yield curves, recovery rates	ISDA model
Insurance derivatives	Theoretical price	Fair values of CAT bonds, yield curve	Present value method
Zero coupon inflation swaps	Theoretical price	Yield curve, inflation curve	Present value method
Other			
Real estate	Theoretical value	Location, year of construction, rental space, type of use, term of leases, amount of rent	Extended German discounted cash flow method
Infrastructure debt financing	Theoretical price	Yield curve	Present value method
Infrastructure equity investment	a) Payment (construction phase) b) Theoretical price (during operation)	Cost, derived cash flow, yield curve	a) Net payments b) Present value method

[1] NAV: Net asset value

Impairment losses: The IFRS 9 impairment requirements are applied to all debt instruments that are recognised at amortised cost or at fair value through other comprehensive income, to off-balance sheet loan commitments and to financial guarantees.

Impairment losses are determined using a three-stage model under IFRS 9:

- Stage 1 consists of debt instruments for which it is assumed that the credit risk has not increased significantly since initial recognition.
- Stage 2 consists of debt instruments that are not in default but whose credit risk has increased significantly since initial recognition. This significant increase in the credit risk is determined using quantitative and qualitative information, a credit risk assessment and forward-looking information.
- Stage 3 comprises all debt instruments that have been classified as in default. The Group defines these debt instruments as impaired.

At present, the Group does not have any purchased or originated credit-impaired (POCI) assets.

The IFRS 9 impairment process is an integral part of the Group's credit risk management activities. The expected credit loss (ECL), which serves as the basis for recognising impairments within the Group, is either calculated automatically using an ECL engine or, in the case of assets in default (Stage 3), individually. In both cases, the calculations are performed separately for each individual debt instrument. The ECL engine is used to determine the expected credit losses for all Stage 1 and Stage 2 financial assets.

Impairment losses on Stage 3 financial instruments are recognised individually at each quarterly reporting date.

Impairment losses and reversals of impairment losses relating to the ECL are recognised in profit or loss regardless of the measurement model involved.

The Group primarily uses the three following components for measuring the ECL:

- the probability of default (PD)
- the loss given default (LGD), and
- the exposure at default (EAD).

As far as possible, the ECL is determined at the transaction level using a risk-adjusted cash flow model. Where necessary, these inputs are adjusted to comply with the requirements of IFRS 9 (e.g. the use of point-in-time (PIT) transfer factors). Including forecasts of future economic conditions when measuring expected credit losses impacts the loss allowances for Stage 1 and Stage 2 assets. Appropriate multi-year probabilities of default are used here to calculate the ECL for the remaining terms of the assets.

During the asset allocation process, all financial assets are initially allocated to Stage 1. In those cases in which the credit risk has increased significantly, the financial assets are transferred to Stage 2. Significant deteriorations are determined using ratings-specific and process-based indicators. By contrast, financial instruments are allocated to Stage 3 on the basis of the counterparty's default status.

Ratings-specific indicators: The Group uses the dynamic change in the counterparty's probability of default to compare the current actual probability of default as at the end of the reporting period with the original probability of default as at the date of initial recognition. The threshold used depends on the debtor's original credit quality. Assets are only transferred to a different stage if the current rating has deteriorated by at least two notches compared to the initial rating. In addition, the Group utilises the simplification option applicable to low-risk financial instruments. Under this option, items are not allocated to Stage 2 if they still have an investment grade issuer rating.

Process-based indicators: The Group's qualitative processes are based on existing risk management indicators that are designed to determine whether the credit risk associated with financial assets has increased significantly. These indicators consist of the assets' obligatory inclusion in a watch list and the qualitative assessment of the changes in risk that have occurred since the assets were initially recognised.

If the preconditions for a stage transfer have been met but the financial asset has not been classified as in default, it remains in Stage 2. If none of the indicators apply any longer and the financial asset has not defaulted, it is assigned to Stage 1.

Financial assets in default are allocated to Stage 3. If a previously defaulted financial asset is no longer classified as being in default, it is transferred to Stage 2 or Stage 1. The treatment of trade receivables and lease/rent receivables uses a simplified impairment model: the amount disclosed on initial recognition of an impairment is the amount of the expected losses over the remaining term of the receivables, irrespective of the receivables' credit quality. The Group determines the expected losses for trade receivables and lease/rent receivables on the basis of historical default rates. The adjusted default rates are based on the average values for recent years. These model inputs are regularly reviewed and updated. See Note 12 for an overview of the impairment losses on financial instruments.

Under the simplified impairment model, receivables are transferred to Stage 3 as soon as objective evidence of impairment exists.

Financial assets and liabilities are only **offset** and reported net if there is a legally enforceable right to do this and the Group intends either to settle such items on a net basis or to realise the asset and settle the liability simultaneously.

Securities loaned out under **securities lending transactions** continue to be recognised on the balance sheet, since the material opportunities and risks resulting from them remain within the Group. Cash securities are reported under Other liabilities, whereas securities received as collateral are not recognised, since the associated risks and opportunities have not been transferred.

Within the scope of **genuine securities repurchase transactions** (repo transactions), the Group sells securities while simultaneously entering into an obligation to repurchase them at a later date at an agreed price. It continues to recognise these investments on the balance sheet since the material risks and opportunities associated with them remain within the Group. The repurchase obligation associated with the payment received is recognised on the balance sheet under Other liabilities. Financial instruments from reverse repo transactions are allocated to the other business model as short-term investments and are measured at fair value through profit or loss. Any difference between the amount received for the transfer and the agreed retransfer amount is allocated over the term of the repurchase transaction using the effective interest method and reported in profit or loss under Net investment income.

The Group mainly uses the **Other investments** item to report assets from infrastructure investments (and especially from consolidated wind farm project companies) that are recognised at cost. These are depreciated on a straight-line basis over a useful life of 20 years. Any provisions for restoration obligations are reported in Miscellaneous other provisions. In addition, we test these assets for impairment as at the end of the reporting period. Impairment losses, reversals of impairment losses, depreciation and revenue relating to these assets are recognised in Net investment income.

The **investments for the account and risk of life insurance policyholders** consist of policyholders' investments under unit-linked life insurance contracts. The insurance services under these policies are linked to the unit values of investment funds or to a portfolio of separate financial instruments. They are recognised at fair value. Gains and losses on these investments are recognised in Net investment income, whereas the associated changes in technical provisions are recognised in Insurance finance income or Insurance finance expenses. Policyholders are entitled to the profits generated and are likewise liable for any losses that are incurred.

For further information on the risks associated with financial instruments, please see the Group management report (specifically the Risks from investments section of the risk report).

Cash at banks, cheques and cash-in-hand are recognised at their nominal amounts.

Subordinated liabilities comprise financial obligations that, in the event that the Company goes into liquidation or becomes insolvent, will only be settled after claims by other creditors have been met. These financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities including **notes payable and loans**, are recognised at amortised cost where they do not relate to **liabilities from derivativesor** financial obligations under **investment contracts** at fair value through profit or loss. Liabilities from derivatives are measured at fair value. Interest accreted on these financial liabilities is reported in Financing costs. The fair values of investment contracts are calculated using the surrender values for policyholders and account balances. In addition, the Group uses the fair value option to eliminate or significantly reduce accounting mismatches in relation to the assets from investment contracts used to cover the liabilities.

Other balance sheet items

Goodwill resulting from business combinations is tested for impairment once a year and if there are indications that impairment could be present, and is measured at cost less accumulated impairment losses.

Purchased intangible assets with finite useful lives are recognised at cost less accumulated amortisation and impairment losses. They are amortised over their estimated useful life, generally on a straight-line basis. The useful life is generally three to 20 years for software, four to 16 years for acquired sales networks and customer relationships and up to one year for acquired right-of-use assets for brand names. Intangible assets with indefinite useful lives (e.g. acquired brand names) are tested for impairment annually plus whenever there is evidence of impairment. Amortisation, reversals of impairment losses and impairment losses that are required to be recognised in profit or loss are allocated to specific insurance functions if possible and reported in Other income/expenses if not.

Deferred tax assets and liabilities are calculated on the basis of the temporary differences between carrying amounts in the tax base and in the financial accounts. Deferred tax assets are also recognised for tax credits and tax loss carryforwards. Valuation allowances are recognised for impaired deferred tax assets.

The deferred tax assets are determined by local tax and finance experts in the countries concerned. The earnings projections are based on business plans that have been duly reviewed and approved. They are also used for enterprise management. In line with uniform Group principles, a particularly high level of evidence is required if the Group company concerned has reported a loss in the current or a prior period. The recognition and recoverability of material deferred tax assets are reviewed by the Group Tax department.

Deferred taxes are calculated using the country-specific tax rates for the year in question. In the event that the tax rates used to calculate the deferred taxes change, an adjustment is made in the year in which the change in the tax rate is adopted. Items recognised at Group level use the Group tax rate of 32.2% unless they can be allocated to specific companies.

Other assets are reported at amortised cost, with the exception of hedging instruments and properties used to cover technical liabilities (VFA). Items of property, plant and equipment are recognised at cost less straight-line depreciation and impairment losses. The maximum useful life for real estate held and used is 50 years. The useful life of operating and office equipment is normally between two and 10 years. The statements made in connection with the presentation of investment property also apply to the measurement and impairment testing of real estate held and used. Depreciation and impairments are allocated to the insurance functions or recognised in Other income/expenses. Receivables are recognised at amortised cost. A simplified, portfolio-level impairment approach based on historical default rates (see above) is used for these financial instruments due to their short holding period and to the large number of transactions involved. The Group also recognises other receivables and other liabilities related to settlement items not assigned to technical items in this balance sheet item and in the Other liabilities balance sheet item. In the 2024 reporting period, the Group improved the procedures for identifying assets and liabilities that qualify for offsetting. For comparison purposes, the prior-year figures for other receivables and other liabilities were each offset by EUR 822 million as at 31 December 2023 (1 January 2023: EUR 448 million). This did not have any impact on items in the statement of income or on Group net income.

Non-current assets held for sale (or groups of assets and liabilities held for sale) are classified as held for sale and disclosed separately if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The sale must be highly probable. These assets are measured at the lower of the carrying amount and fair value less costs of disposal. Measurements of financial instruments are not changed in subsequent periods. Depreciation and amortisation classified as held for sale up to the date of classification. Impairment losses are recognised in profit or loss, with any subsequent increase in value leading to the recognition of a gain up to the amount of the cumulative impairment loss.

The most important **leases** entered into by the Group relate to buildings, and technical and IT equipment. The Group assesses at inception whether a contract is, or contains, a lease. It uses a uniform model for the recognition and measurement of all leases with a term of more than twelve months, with the exception of low-value assets. As a lessee, the Group recognises a right-of-use asset and a lease liability representing the Group's obligation to make lease payments as at the commencement date. Right-of-use assets from leases are reported under Property, plant and equipment in the respective balance sheet items. Lease liabilities are recognised under Other liabilities and measured in accordance with the provisions of IFRS 16. The Group utilises the option not to apply IFRS 16 to short-term leases (i.e. leases with a term of twelve months or less as from the commencement date) and to leases of low-value technical and IT equipment. In these cases the lease payments are expensed as they occur.

The Group's **equity** consists of subscribed capital, capital reserves, retained earnings and other reserves. Subscribed capital and capital reserves contain the amounts paid in for shares by shareholders of Talanx AG.

Retained earnings consist of allocations from net income and reinvested profits that Group companies have generated since becoming members of the Group. Moreover, where accounting policies are changed retrospectively, the adjustment amount for previous periods is recognised in the opening balance for the retained earnings.

Other reserves: Unrealised gains and losses resulting from changes in the fair value of financial instruments measured at fair value through other comprehensive income are recognised in Unrealised gains/losses on investments. Exchange differences on translating foreign operations in the financial statements of foreign subsidiaries and unrealised gains and losses from equity-method accounting are recognised in Other reserves, as is the effective portion of the gain or loss attributable to hedging instruments in the context of cash flow hedges.

Net income attributable to non-controlling interests is recognised in the consolidated statement of income below the net profit/loss for the year and under the Non-controlling interests item in the Equity section. It consists of interests held by non-Group third parties in the equity of subsidiaries.

Provisions for pensions and other post-employment benefits: Obligations under defined benefit pension plans are calculated separately for each plan in line with actuarial principles. They are valued using the projected unit credit method. Measurement reflects not only known benefit entitlements and current pension payments at the end of the reporting period but also their future trends. The discount rate for pension liabilities is based on the rates for high-quality corporate bonds. The discount rate used is a payment-weighted average interest rate reflecting the maturities, the amount and the currency of the payments due. When extrapolating the euro yield curve, the Group also accounts for a trend in the corporate bond spread in order to improve the accuracy of estimates. For material plans, individual interest rates are used in accordance with spot rate methods to calculate interest expenses and income, i.e. the various cash flows are weighted with different interest rates.

Where pension liabilities are partially matched by assets of a legally independent entity (e.g. a fund or by benefit commitments funded by external assets) that may only be used to settle the pension obligations entered into and are exempt from attachment by creditors, they are recognised net of those assets. If the fair value of such assets exceeds the associated pension liabilities, the net amount is recognised in Other accounts receivable after adjustment for any effects arising from the application of the asset ceiling. The cost components from changes to defined benefit plans are recognised in profit or loss for the period, insofar as they relate to service costs and net interest on the net liability. Past service costs resulting from plan amendments or curtailments, and gains and losses from plan settlements, are recognised in profit or loss as they occur. All remeasurement effects are recognised in other comprehensive income and presented in equity. Remeasurements of pension liabilities consist firstly of actuarial gains or losses on gross pension liabilities and secondly of the difference between the actual return on plan assets and the actuarial interest income on plan assets. Moreover, where plans are in surplus, the remeasurement component includes the difference between the interest rate on the effect of the asset ceiling and the total changes in net assets due to the effect of the asset ceiling. Further information and sensitivity analyses are provided in Note 19.

Miscellaneous other provisions and tax provisions are recognised in their likely settlement amount, based on best estimates. Provisions are discounted where the effect of the time value of money is material. Restructuring provisions are recognised if a detailed, formal restructuring plan has been approved by the Group and the main features of the restructuring have been publicly announced. The provisions reflect, among other things, assumptions as to the number of employees affected by redundancy, severance payment amounts and contract termination costs. Expenses for future business activities (e.g. relocation costs) are not included when determining the provisions.

Share-based payments in the Group are settled exclusively in cash. Liabilities for cash-settled share-based payment plans are measured at the end of each reporting period and at the settlement date. The fair value of each of these plans is expensed across the vesting period. Thereafter, any change in the fair value of plans that have not yet been exercised is recognised in the statement of income.

Profit and loss recognition

Insurance revenue

Insurance revenue is defined as the total changes in the asset for remaining coverage from (re)insurance and the changes in the liability for remaining coverage that have occurred during the period to which the insurance coverage or other services for which the Group expects to receive consideration relate. The Group recognises revenue from the transfer of the promised coverage and other services in the amount of the consideration to which the Group expects to be entitled in exchange for those services. This means that the Group does not include any investment components in the insurance revenue and that it recognises the latter in each reporting period as the amount with which the performance obligations under the insurance contracts are met. Insurance revenue is the core KPI used to provide information on the volume of business transacted and on gross performance.

Insurance revenue – contracts not measured using the PAA

The following items are included in insurance revenue under the GMM and the VFA:

- Any release of the CSM, the measurement of which is based on the coverage units provided (see the Release of the CSM section below).
- Changes in risk adjustment for non-financial risk for the risk expired
- Claims and other insurance service expenses payable before the end of the financial year; these are normally measured at the amounts expected at the start of the year. This item also contains amounts from the derecognition of assets for cash flows (with the exception of insurance acquisition cash flows) as at the date of the initial recognition of a group of contracts that are recognised as insurance revenue, plus the insurance service expenses incurred as at the date concerned.
- Other amounts including experience adjustments relating to premium income for current or past services in the Life Insurance business, plus amounts in connection with tax expenses for the discretionary participation business incurred by the policyholder.

Insurance revenue – contracts measured under the PAA

Under the PAA, the insurance revenue in each period is the amount of premium income received for providing insurance coverage during that period. The expected premium income is allocated on the basis of the passage of time or of an alternative timeline for receipts if the expected pattern of release from risk during the coverage period differs significantly from the passage of time.

Release of the CSM

The amount of the CSM for a group of insurance contracts recognised as insurance revenue in a specific financial year is determined by identifying the coverage units in the group, by allocating the CSM remaining at the end of the period before allocating it equally to each coverage unit provided in the current period and expected to be provided in the future, and by recognising in profit or loss the amount of the CSM allocated to the coverage units provided in the period. The number of coverage units is the quantity of services provided by the contracts in the group; this is determined by considering for each contract the quantity of the benefits provided under a contract and the contract's expected coverage period. These coverage units are reviewed and updated as at the end of each reporting period. This is done by comparing the insurance volumes, at the end of the period that has expired with those for the total contract period, resulting in the service for the period. We select the coverage units for each insurance transaction so that they best reflect the respective provision of services.

The services provided under insurance contracts comprise insurance coverage and, in the case of all contracts with direct surplus participation features, investment-related services in connection with the management of the underlying items on behalf of the policyholders and, where appropriate, the investment-return services for contracts with indirect participation features. The expected coverage period reflects expectations regarding contract cancellations and the probability that insured events will occur, to the extent that these affect the expected coverage period. The period for investment-related services ends at the latest on the date on which all amounts due to current policyholders in relation to these services have been paid out.

The amount recognised in profit or loss for the period is the ratio of the coverage units for the current period of the CSM to the total coverage units for the current and all remaining periods, applied to the adjusted CSM before its release.

Insurance service expenses

Insurance service expenses from insurance contracts are recognised directly in profit or loss. They do not include any repayments of investment components. Insurance service expenses comprise the following items, among others:

- Incurred claims and other insurance service expenses.
- Amortisation of insurance acquisition cash flows: In the case of contracts not measured under the PAA, this corresponds to the amount of the insurance revenue that relates to recovering those cash flows recognised in the financial year. In the case of contracts measured under the PAA, the Group performs straight-line amortisation of the insurance acquisition cash flows over the coverage period for the group of contracts.
- Losses from onerous contracts and reversals of such losses.
- Adjustments to the liability for incurred claims not resulting from the effect of the time value of money, of financial risk and of changes in financial risk.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such losses.

Expenses and income from reinsurance contracts held

Expenses or income from reinsurance contracts held must be presented separately from income or expenses from insurance contracts issued and include the amounts reimbursed by the reinsurer less the underwriting expenses from reinsurance contracts held. The Group recognises payments from reinsurers from incurred claims as income from reinsurance contracts held. In the case of contracts measured under the PAA, the insurance service expenses from reinsurance contracts held correspond to the amount of the expected premium payments for maintaining the reinsurance coverage in the reporting period, plus the change in the reinsurer's non-performance risk. The reversal of the CSM is also included in the contracts measured using the GMM.

Insurance finance income and expenses

The Net insurance financial result item comprises the changes in the carrying amount of the group of insurance contracts that result from the effects of the time value of money (interest must be accreted on the amount as at the start of the period using the interest rate used for discounting [the locked-in interest rate]), of financial risk and of changes in financial risk, unless such changes in groups of insurance contracts with direct participation features are allocated to a loss component and reported in the Insurance service expenses item.

The Group has decided to allocate the insurance finance income or expenses for all Group portfolios between profit and loss and other comprehensive income. In the case of contracts measured under the VFA, recognition in other comprehensive income results in the elimination of accounting mismatches within the statement of income. The amount corresponding to the income or expenses from underlying assets recognised in profit or loss (net investment income including net income from investments for the account and risk of life insurance policyholders) is included in finance income or expenses from insurance contracts issued. The remaining amount of finance income or expenses from insurance contracts issued for the reporting period is recognised in other comprehensive income.

Where a contract without direct surplus participation features is derecognised as a result of a transfer to a third party, or in the case of a contract modification, all remaining amounts for the contract accumulated in other comprehensive income are reclassified to profit or loss as a reclassification adjustment. Insurance finance income and expenses for all other contracts are disclosed in the statement of income.

The amounts presented in other comprehensive income are accumulated in the insurance finance reserve. If the Group derecognises a contract without direct surplus participation features as a result of a transfer to a third party or a contract modification, all remaining amounts for the contract accumulated in other comprehensive income are reclassified to profit or loss as a reclassification adjustment.

Investment result

A breakdown of the net investment income is given in Note 28 to the consolidated financial statements.

Other income/expenses

A breakdown of the Other income/expenses item is provided in Note 30 to the consolidated financial statements. This item also includes (under Expenses for the company as a whole) costs that cannot be directly allocated to insurance contracts (e.g. product development and training costs).

Revenue

In addition to its core business activities (which fall within the scope of IFRS 17), the Group provides various services relating to the insurance business in the wider sense. In particular, these comprise asset management services and other insurance-related services that fall within the scope of IFRS 15 – Revenue from Contracts with Customers. The Group acts as the principal for contracts falling within the scope of IFRS 15, as it generally has control over the goods or services before they are transferred to the customer. Contracts with customers do not usually contain significant financing components. This revenue is reported in the Other disclosures section of the Notes to the consolidated financial statements.

Income taxes

Tax expenditures consist of the current taxes levied on the results of Group companies to which local tax rates are applied, plus changes in deferred tax assets and deferred tax liabilities. Expenses for and income from interest and penalties payable to the tax authorities are reported under Other income/expenses.

Foreign exchange differences arising on translation of foreign operations

The Group's reporting currency is the euro.

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 (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

		Balance sheet (reporting date)		Statement of income (average)	
EUR 1 corresponds to		31.12.2024	31.12.2023	2024	2023
AUD	Australia	1.6751	1.6273	1.6416	1.6291
BRL	Brazil	6.4533	5.3625	5.8503	5.4056
CAD	Canada	1.5031	1.4651	1.4821	1.4601
CLP	Chile	1,040.9800	974.1800	1,022.2885	910.2154
CNY	China	7.6269	7.8454	7.7781	7.6562
COP	Colombia	4,604.6400	4,265.9400	4,415.8508	4,671.1077
GBP	United Kingdom	0.8297	0.8689	0.8466	0.8700
MXN	Mexico	21.2632	18.7337	19.8933	19.2065
PLN	Poland	4.2661	4.3386	4.3036	4.5371
TRY	Türkiye	36.9094	32.6830	35.5576	25.7923
USD	USA	1.0449	1.1051	1.0824	1.0813

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 2,684.55 as at 31 December 2024 (31 December 2023: 1,859.38). Overall, a gain on the net monetary position of EUR 64 (87) million was recognised in other income/expenses for the period from 1 January to 31 December 2024. This includes a contribution to earnings after non-controlling interests of EUR +25 (+45) million.

Segment reporting

Identification of reportable segments

In accordance with IFRS 8 – Operating Segments, reportable segments are identified in line with the Group's internal reporting and management structure, which is used by the Group Board of Management to regularly review the performance of the segments and to make decisions about the resources to be allocated to them.

The Group classifies its business activities into Insurance and Group Operations. Insurance activities (excluding intragroup reinsurance of Talanx AG) are further subdivided into five reportable segments, with a preliminary classification into primary insurance and reinsurance being made in view of the different product types, risks and capital allocations involved.

Because they are managed based on customer groups and geographic regions (domestic versus foreign), insurance activities in the **primary insurance** business are divided into the three reporting segments Corporate & Specialty (formerly Industrial Lines), Retail International and Retail Germany. This segmentation also corresponds to the responsibilities of the individual members of the Board of Management.

The **reinsurance business** is handled solely by the Hannover Re Group and is divided into two segments – Property/Casualty Reinsurance and Life/Health Reinsurance – in line with the Hannover Re Group's internal reporting system.

In a departure from the segmentation used in Hannover Rück SE's consolidated financial statements, we also allocate this group's holding company functions to its Property/Casualty Reinsurance segment. Intersegment loans within the Hannover Re Group are allocated to the two reinsurance segments in the Talanx Group's consolidated financial statements (they are reported in the Consolidation column in Hannover Rück SE's consolidated financial statements). This means that differences between the segment results for the reinsurance business as presented in Talanx AG's consolidated financial statements and in Hannover Rück SE's financial statements are unavoidable.

In the past financial year, we adjusted our segment reporting.

- The Industrial Lines segment was renamed Corporate & Specialty effective 30 September 2024. The composition of the segment was not changed when it was renamed.
- The two segments Retail Germany – Property/Casualty and Retail Germany – Life were combined into a single Retail Germany segment for the purpose of standardised control based on the resolution of the Board of Management dated 7 October 2024.

The key products and services from which these reportable segments generate income are described in the following.

Corporate & Specialty (formerly Industrial Lines): The segment encompasses the global corporate and specialty business. Its business operations include a broad range of insurance products such as liability, property, motor, casualty and specialty insurance (including in lines such as financial lines, directors' and officers' (D&O) liability, sports and entertainment, aviation and space, offshore energy and livestock insurance) for large and medium-sized companies worldwide. In addition, reinsurance is provided for various insurance classes.

Retail International: This segment covers our foreign insurance business with retail and commercial customers in various lines of insurance, including our bancassurance activities. Our offering here includes motor insurance, property and casualty insurance, and marine and fire insurance, as well as a considerable number of life insurance products. A large part of our international business is transacted by brokers and agents. Additionally, many companies in this segment use banks as sales channels.

Retail Germany: The segment encompasses life and property insurance activities in the German private and corporate client market. The life insurance product segment includes unit-linked life insurance, annuity insurance, term life insurance, as well as any occupation disability and own occupation disability insurance for private customers, and in particular for company pension schemes. In the property insurance product segment, we offer insurance cover for private individuals, as well as customised products for private and corporate customers who require in-depth advice. The products are sold primarily through the company's own tied agents, as well as through partnerships (particularly with banks), independent brokers and non-exclusive agents.

Property/Casualty Reinsurance: The global activities in all lines of property and liability business are reinsured in this segment. This also includes the specialty lines of marine and aviation business, credit/surety business, agricultural business, coverage for cyber and digital risks, as well as parametric solutions, structured reinsurance, and our facultative and nat cat business.

Life/Health Reinsurance: This segment comprises the Hannover Re Group's global activities in all lines of life, health, annuity and personal accident insurance, to the extent that these are underwritten and reinsured by life/health insurers.

Group Operations: In contrast to the five operating segments, this segment is responsible for Group management and other activities supporting the Group's business. The latter include asset management, the run-off and placement of portions of reinsurance cessions for the primary insurance sector including intragroup reinsurance and Group financing. Asset management activities performed by Ampega Investment GmbH, Cologne, for non-Group private and institutional investors is also reported here. This segment also includes central service companies that provide specific billable services – such as IT, collection, human resources and accounting services – mainly to the Group's primary insurers in Germany.

Performance measurement for the reportable segments

All transactions between reportable segments are market-based transfer prices. Intersegment transactions within the Group are eliminated in the Consolidation column; income from dividend payments and profit/loss transfer agreements attributable to the Group holding company is eliminated in the segment concerned. For reasons of consistency and comparability, we have structured the statements of income for the individual divisions/reportable segments in line with the consolidated statement of income. The same applies to the consolidated balance sheet.

The balance sheet for the Reinsurance Division is produced by adding together the segment balance sheets for its reportable segments, Property/Casualty Reinsurance and Life/Health Reinsurance.

A number of different management metrics and performance indicators are used to assess the financial performance of the reportable segments within the Group, depending on the nature and time frame of the business activities involved. Operating profit (EBIT) – which is determined on the basis of IFRS earnings contributions – is used as the consistent measurement base. Net income for the period before income taxes is the main indicator used to capture actual operating profitability and to enhance comparability. In addition, the figure is adjusted for interest on borrowings and from the unwinding of discounts for lease liabilities (financing costs).

CONSOLIDATED BALANCE SHEET BY DIVISION AS AT 31 DECEMBER 2024

EUR million

Assets	Corporate & Specialty		Retail International	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
A. Intangible assets				
a. Goodwill	152	152	1,154	1,175
b. Other intangible assets	20	20	481	517
	172	**172**	**1,635**	**1,692**
B. Insurance contract assets	117	82	31	26
C. Reinsurance contract assets	7,851	7,285	1,110	1,038
D. Investments				
a. Investment property	157	160	127	106
b. Shares in affiliated companies, associates, joint ventures and participating interests	267	203	70	51
c. Other financial instruments				
i. Financial instruments measured at cost	—	—	131	78
ii. Financial instruments measured at fair value through other comprehensive income	12,213	10,348	11,994	11,076
iii. Financial instruments measured at fair value through profit or loss	2,309	2,289	2,962	2,925
d. Other investments	83	96	—	—
Investments for own risk	**15,030**	**13,096**	**15,283**	**14,235**
E. Investments for the account and risk of life insurance policyholders	—	—	359	372
F. Cash at banks, cheques and cash-in-hand	1,663	1,089	567	472
G. Deferred tax assets	59	56	321	301
H. Other assets	1,154	943	864	867
I. Non-current assets and assets of disposal groups classified as held for sale [1]	16	18	1	4
Total assets	**26,062**	**22,741**	**20,171**	**19,008**

[1] For further information, see the "Non-current assets and disposal groups held for sale" section of the Notes.
[2] Adjusted in accordance with IFRS 8 in conjunction with IAS 8, see also the "Accounting policies" section of the Notes.
[3] Adjusted, see "Accounting policies", section "Summary of significant accounting policies" of the Notes.

Retail Germany		Reinsurance		Group Operations		Consolidation		Total	
31.12.2024	31.12.2023[2]	**31.12.2024**	31.12.2023[3]	**31.12.2024**	31.12.2023	**31.12.2024**	31.12.2023[2]	**31.12.2024**	31.12.2023[3]
248	248	37	35	—	—	—	—	1,592	1,611
37	49	136	138	20	58	—	—	693	782
285	**297**	**172**	**174**	**20**	**58**	**—**	**—**	**2,285**	**2,393**
—	—	1,506	1,020	—	—	−35	−78	1,618	1,049
174	189	1,502	1,526	2,162	1,942	−5,076	−4,906	7,721	7,074
3,277	3,427	2,605	2,537	—	—	—	—	6,166	6,230
28	82	692	3,019	12	—	—	—	1,068	3,355
851	875	—	—	—	—	—	—	982	954
37,085	36,815	56,140	50,619	742	352	—	—	118,174	109,210
5,702	5,541	6,455	3,994	149	528	—	−1	17,578	15,276
502	573	568	553	1,731	1,752	−2,550	−2,608	334	366
47,446	**47,313**	**66,460**	**60,722**	**2,633**	**2,632**	**−2,550**	**−2,609**	**144,302**	**135,390**
13,779	12,106	—	—	—	—	—	—	14,138	12,478
1,247	1,823	1,231	1,016	460	703	—	—	5,167	5,102
314	299	520	631	215	242	−223	−171	1,206	1,358
1,104	565	3,166	3,735	1,489	1,180	−3,854	−3,629	3,924	3,660
1	—	40	—	—	—	−2	−2	57	20
64,350	**62,592**	**74,597**	**68,823**	**6,979**	**6,757**	**−11,740**	**−11,395**	**180,419**	**168,525**

CONSOLIDATED BALANCE SHEET BY DIVISION AS AT 31 DECEMBER 2024

EUR million

Equity and liabilities	Corporate & Specialty		Retail International	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
B. Subordinated liabilities	410	410	75	104
C. Insurance contract liabilities	19,628	17,558	11,857	11,444
D. Reinsurance contract liabilities	112	59	–22	—
E. Other provisions				
a. Provisions for pensions and other post-employment benefits	419	443	90	74
b. Provisions for taxes	237	197	140	128
c. Miscellaneous other provisions	116	98	339	259
	772	**738**	**569**	**461**
F. Liabilities				
a. Notes payable and loans	—	—	1,333	1,279
b. Other liabilities	1,824	1,068	3,071	2,380
	1,824	**1,068**	**4,404**	**3,659**
G. Deferred tax liabilities	273	219	154	129
H. Liabilities included in disposal groups classified as held for sale [1]	22	25	—	—
Total liabilities/provisions	**23,041**	**20,077**	**17,038**	**15,797**

Retail Germany		Reinsurance		Group Operations		Consolidation		Total	
31.12.2024	31.12.2023 [2]	31.12.2024	31.12.2023 [3]	31.12.2024	31.12.2023	31.12.2024	31.12.2023 [2]	31.12.2024	31.12.2023 [3]
110	193	3,609	3,587	1,247	1,996	–964	–1,028	4,487	5,262
60,698	58,985	48,918	44,239	3,156	2,759	–4,942	–4,723	139,315	130,264
96	69	656	699	—	—	–129	–90	714	737
101	107	155	164	882	934	—	—	1,647	1,722
320	133	604	226	161	87	—	—	1,463	770
78	156	267	220	444	348	—	—	1,244	1,081
500	**396**	**1,026**	**610**	**1,487**	**1,369**	**—**	**—**	**4,354**	**3,573**
67	98	1,507	1,726	2,520	1,834	–1,546	–1,542	3,881	3,395
1,258	1,278	4,435	4,882	335	218	–3,788	–3,622	7,136	6,205
1,325	**1,376**	**5,942**	**6,608**	**2,855**	**2,052**	**–5,334**	**–5,163**	**11,017**	**9,600**
34	46	1,816	2,100	—	—	–263	–223	2,014	2,271
1	—	—	—	—	—	—	—	23	25
62,763	**61,065**	**61,966**	**57,844**	**8,745**	**8,176**	**–11,631**	**–11,227**	**161,923**	**151,731**

Equity [4]	**18,495**	**16,793**
Total liabilities	**180,419**	**168,525**

[1] For further information, see the “Non-current assets and disposal groups held for sale” section of the Notes.
[2] Adjusted in accordance with IFRS 8 in conjunction with IAS 8, see also the “Accounting policies” section of the Notes.
[3] Adjusted, see “Accounting policies”, section “Summary of significant accounting policies” of the Notes.
[4] Equity attributable to Group shareholders and non-controlling interests.

CONSOLIDATED STATEMENT OF INCOME BY DIVISION/REPORTABLE SEGMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024[1]

	Corporate & Specialty		Retail International	
EUR million	2024	2023	2024	2023
1. Insurance revenue	10,006	9,065	9,281	7,099
of which attributable to other divisions/segments	77	63	1	—
of which attributable to third parties	9,929	9,002	9,280	7,099
2. Insurance service expenses	–7,852	–7,055	–8,121	–6,644
3. a. Expenses from reinsurance contracts held	–3,517	–3,292	–970	–717
b. Income from reinsurance contracts held	2,367	2,052	589	688
Insurance service result	**1,004**	**770**	**778**	**426**
4. a. Investment income for own risk	647	517	1,125	912
b. Investment expenses for own risk	–279	–320	–372	–329
Net investment income for own risk	**368**	**196**	**753**	**583**
of which impairments on financial instruments	—	3	5	–4
of which share of profit or loss of equity-accounted associates and joint ventures	19	16	—	—
4. c. Investment income for the account and risk of life insurance policyholders	—	—	46	49
d. Investment expenses for the account and risk of life insurance policyholders	—	—	–14	–4
Net investment income for the account and risk of life insurance policyholders	**—**	**—**	**31**	**45**
Net investment income	**368**	**196**	**784**	**628**
5. a. Insurance finance income and expenses from insurance contracts issued (including currency effects)	–739	–91	–442	–363
b. Insurance finance income and expenses from reinsurance contracts held (including currency effects)	331	–22	75	68
Net insurance financial result	**–408**	**–114**	**–366**	**–295**
Correction for currency result from net insurance financial result	123	–72	30	34
Net insurance financial result before currency effects	**–285**	**–185**	**–336**	**–261**
Net insurance financial and investment result before currency effects	**83**	**11**	**448**	**368**
6. a. Currency result on investments	97	–29	25	38
b. Currency result on net insurance financial result	–123	72	–30	–34
c. Other currency result	12	–18	18	–8
Net currency result	**–15**	**24**	**13**	**–5**
7. a. Other income	110	77	132	191
b. Other expenses	–481	–435	–535	–473
Other income/expenses	**–370**	**–358**	**–403**	**–281**
Profit before goodwill impairments	**702**	**446**	**836**	**507**
8. Goodwill impairments	—	—	—	—
Operating profit/loss (EBIT)	**702**	**446**	**836**	**507**
9. Financing costs	–10	–10	–69	–36
10. Taxes on income	–191	–85	–228	–118
Net income	**501**	**351**	**539**	**353**
of which attributable to non-controlling interests	—	—	90	76
of which attributable to shareholders of Talanx AG	501	351	449	277

[1] With the exception of the Reinsurance Division, the statements of income of the other divisions are the same as those of the reportable segments.
[2] Adjusted in accordance with IFRS 8 in conjunction with IAS 8, see also the "Accounting policies" section of the Notes.

	Retail Germany		Reinsurance		Group Operations		Consolidation		Total	
	2024	2023 [2]	2024	2023	2024	2023	2024	2023 [2]	2024	2023
	3,619	3,558	26,379	24,456	1,123	965	−2,258	−1,906	48,150	43,237
	59	80	1,057	853	1,063	909	−2,258	−1,906	—	−1
	3,560	3,477	25,322	23,604	59	56	—	—	48,150	43,238
	−3,046	−3,099	−21,698	−20,802	−785	−900	1,518	1,443	−39,984	−37,059
	−514	−578	−3,344	−3,367	−866	−765	2,166	2,036	−7,045	−6,683
	344	480	1,681	1,371	560	728	−1,547	−1,579	3,993	3,738
	402	**360**	**3,019**	**1,658**	**32**	**27**	**−120**	**−7**	**5,114**	**3,234**
	2,241	1,801	2,783	2,284	107	78	−348	−69	6,555	5,523
	−1,241	−892	−745	−663	−384	−171	345	87	−2,675	−2,289
	1,000	**909**	**2,038**	**1,622**	**−277**	**−93**	**−3**	**17**	**3,880**	**3,235**
	−5	−1	−3	−23	—	—	—	—	−3	−24
	—	—	27	16	—	—	—	—	47	32
	1,881	1,437	—	—	—	—	—	—	1,926	1,486
	−19	−68	—	—	—	—	—	—	−33	−72
	1,861	**1,369**	**—**	**—**	**—**	**—**	**—**	**—**	**1,893**	**1,414**
	2,861	**2,279**	**2,038**	**1,622**	**−277**	**−93**	**−3**	**17**	**5,772**	**4,649**
	−2,872	−2,160	−2,036	−361	−38	−3	242	52	−5,884	−2,926
	6	1	41	−24	27	−5	−119	−80	361	−61
	−2,867	**−2,158**	**−1,994**	**−385**	**−11**	**−8**	**123**	**−28**	**−5,523**	**−2,987**
	—	—	879	−496	−3	1	—	—	1,029	−532
	−2,867	**−2,158**	**−1,115**	**−880**	**−14**	**−7**	**123**	**−28**	**−4,494**	**−3,519**
	−5	**120**	**923**	**741**	**−291**	**−100**	**120**	**−10**	**1,278**	**1,130**
	26	−18	809	−450	—	1	—	—	957	−459
	—	—	−879	496	3	−1	—	—	−1,029	532
	1	−2	−38	41	1	—	—	—	−6	13
	26	**−20**	**−108**	**87**	**5**	**1**	**—**	**—**	**−79**	**87**
	162	92	287	238	1,796	1,691	−1,584	−1,547	903	742
	−323	−294	−782	−734	−1,710	−1,593	1,527	1,403	−2,304	−2,125
	−161	**−202**	**−494**	**−496**	**86**	**98**	**−58**	**−144**	**−1,400**	**−1,383**
	262	**259**	**3,339**	**1,990**	**−169**	**26**	**−58**	**−161**	**4,913**	**3,068**
	—	—	—	—	—	—	—	—	—	—
	262	**259**	**3,339**	**1,990**	**−169**	**26**	**−58**	**−161**	**4,913**	**3,068**
	−3	−8	−126	−138	−111	−102	92	61	−227	−234
	−116	−81	−817	−26	−39	−11	−11	32	−1,402	−289
	143	**170**	**2,396**	**1,826**	**−318**	**−87**	**23**	**−68**	**3,284**	**2,545**
	−20	9	1,225	909	—	—	12	−30	1,307	964
	163	161	1,170	917	−318	−87	11	−38	1,977	1,581

CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE PROPERTY/CASUALTY REINSURANCE AND LIFE/HEALTH REINSURANCE REPORTABLE SEGMENTS FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024

	Property/Casualty Reinsurance		Life/Health Reinsurance	
EUR million	**2024**	2023	**2024**	2023
1. Insurance revenue	18,665	16,824	7,715	7,633
of which attributable to other divisions/segments	1,015	745	42	107
of which attributable to third parties	17,649	16,079	7,673	7,525
2. Insurance service expenses	–14,893	–14,088	–6,805	–6,714
3. a. Expenses from reinsurance contracts held	–2,778	–2,626	–565	–741
b. Income from reinsurance contracts held	1,143	739	539	632
Insurance service result	**2,136**	**848**	**883**	**810**
4. a. Investment income for own risk	2,281	1,754	502	530
b. Investment expenses for own risk	–639	–549	–106	–114
Net investment income for own risk	**1,642**	**1,205**	**396**	**416**
of which impairments on financial instruments	–6	–20	3	–2
of which share of profit or loss of equity-accounted associates and joint ventures	64	15	–36	1
4. c. Investment income for the account and risk of life insurance policyholders	—	—	—	—
d. Investment expenses for the account and risk of life insurance policyholders	—	—	—	—
Net investment income	**1,642**	**1,205**	**396**	**416**
5. a. Insurance finance income and expenses from insurance contracts issued (including currency result)	–1,869	–191	–167	–170
b. Insurance finance income and expenses from reinsurance contracts held (including currency result)	60	–23	–19	–1
Net insurance financial result	**–1,809**	**–214**	**–185**	**–171**
Correction for currency result from net insurance financial result	865	–508	15	13
Net insurance financial result before currency effects	**–945**	**–722**	**–170**	**–158**
Net insurance finance and investment result before currency result	**697**	**483**	**226**	**258**
6. a. Currency result on investments	772	–471	37	21
b. Currency result on net insurance financial result	–865	508	–15	–13
c. Other currency result	–51	63	13	–22
Net currency result	**–143**	**100**	**35**	**–13**
7. a. Other income	258	205	29	32
b. Other expenses	–535	–510	–247	–223
Other income/expenses	**–277**	**–305**	**–218**	**–191**
Profit before goodwill impairments	**2,413**	**1,127**	**926**	**864**
8. Goodwill impairments	—	—	—	—
Operating profit/loss (EBIT)	**2,413**	**1,127**	**926**	**864**

OTHER SEGMENT INFORMATION

EUR million	Corporate & Specialty	Retail International	Retail Germany [1]	Property/ Casualty Reinsurance	Life/Health Reinsurance	Group Operations	Consolidation [1]	Total
2024								
Included in net investment income								
Current interest income incl. investment contracts	381	767	979	1,565	395	99	–101	**4,086**
Current interest expense	–1	–3	–1	–9	–1	—	—	**–16**
Share of profit or loss of equity-accounted associates and joint ventures	19	—	—	64	–36	—	—	**47**
Depreciation of/impairment losses on investment property								
Depreciation	–3	–2	—	–60	—	—	—	**–66**
Impairment losses	—	–7	—	–38	—	—	—	**–44**
Depreciation of/impairment losses on infrastructure investments								
Depreciation	–6	—	–26	—	—	—	—	**–32**
Income from reversal of impairment losses	—	—	2	3	—	—	—	**5**
Other positions in profit or loss								
Other interest income	19	18	92	22	15	29	–31	**165**
Other interest expense	–22	–19	–22	–44	–12	–66	39	**–145**
Depreciation and amortisation of/ impairment losses on property, plant and equipment and intangible assets								
Depreciation and amortisation	–20	–126	–10	–38	–4	–107	—	**–307**
Impairment losses	—	—	–1	—	—	—	—	**–1**
Income from reversal of impairment losses on fixed assets	—	—	—	—	—	—	—	**—**
2023								
Included in net investment income								
Current interest income incl. investment contracts	269	585	976	1,337	368	74	–68	**3,541**
Current interest expense	—	–11	–2	–13	—	—	—	**–27**
Share of profit or loss of equity-accounted associates and joint ventures	16	—	—	15	1	—	—	**32**
Depreciation of/impairment losses on investment property								
Depreciation	–3	–2	—	–56	—	—	—	**–62**
Impairment losses	—	—	—	–79	—	—	—	**–79**
Depreciation of/impairment losses on infrastructure investments								
Depreciation	–6	—	–26	—	—	—	—	**–32**
Income from reversal of impairment losses	—	—	2	2	—	—	—	**4**
Other positions in profit or loss								
Other interest income	21	14	32	21	12	14	–6	**108**
Other interest expense	–22	–14	–21	–38	–11	–37	14	**–129**
Depreciation and amortisation of/ impairment losses on property, plant and equipment and intangible assets								
Depreciation and amortisation	–18	–135	–10	–41	–7	–67	—	**–278**
Impairment losses	–3	—	–1	—	—	—	—	**–5**
Income from reversal of impairment losses on fixed assets	—	—	—	—	—	2	—	**2**

[1] Adjusted in accordance with IFRS 8 in conjunction with IAS 8, see also the “Accounting policies” section of the Notes.

Insurance revenue, assets for own risk and non-current assets by geographical origin

INVESTMENTS FOR OWN RISK BY GEOGRAPHICAL ORIGIN

EUR million	31.12.2024	31.12.2023
Germany	30,918	31,867
United Kingdom	7,485	6,739
Central and Eastern Europe (CEE), including Türkiye	6,133	4,976
Rest of Europe	46,062	43,470
USA	26,912	24,886
Rest of North America	8,333	7,035
Latin America	4,193	3,665
Asia and Australia	14,009	12,558
Africa	258	194
Total	**144,302**	**135,390**

NON-CURRENT ASSETS BY GEOGRAPHICAL ORIGIN[1]

EUR million	31.12.2024	31.12.2023
Germany	5,048	5,233
United Kingdom	101	99
Rest of Europe	580	576
USA	1,014	966
Rest of North America	570	627
Latin America	267	308
Asia and Australia	11	17
Africa	2	2
Total	**9,185**	**9,439**

[1] Non-current assets largely consist of intangible assets (including goodwill) plus real estate held and used/investment property, including right-of-use assets arising from leases. Goodwill is not allocated by region, but is included in total in the amount of EUR 1.592 (1.611) million.

INSURANCE REVENUE BY TYPE AND CLASS OF INSURANCE

EUR million	2024	2023
Property/casualty primary insurance	20,316	17,346
Life primary insurance	2,590	2,376
Property/casualty reinsurance	18,665	16,824
Life/health reinsurance	7,715	7,633
Group Operations	1,123	965
Consolidation	–2,258	–1,906
Total	**48,150**	**43,237**

INSURANCE REVENUE BY GEOGRAPHICAL ORIGIN (ESSENTIALLY BY CUSTOMER DOMICILE)

	Primary Insurance		Reinsurance		Group Operations		Consolidation		Total	
EUR million	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Germany	6,074	5,744	1,574	1,433	762	665	–1,156	–1,028	7,254	6,815
United Kingdom	1,019	1,013	4,315	3,795	—	—	–239	–297	5,094	4,510
Central and Eastern Europe (CEE), including Türkiye	4,039	3,604	281	329	66	59	–105	–86	4,282	3,905
Rest of Europe	3,427	3,194	2,946	2,434	87	97	–322	–189	6,138	5,536
USA	1,829	1,566	9,623	9,016	—	—	–19	–19	11,432	10,563
Rest of North America	370	362	1,405	1,302	—	—	–74	–73	1,702	1,591
Latin America	5,036	3,221	1,164	1,113	208	144	–238	–175	6,169	4,302
Asia and Australia	1,032	909	4,589	4,570	—	—	–103	–42	5,518	5,437
Africa	79	110	482	465	—	—	–1	4	561	580
Total	**22,905**	**19,722**	**26,379**	**24,456**	**1,123**	**965**	**–2,258**	**–1,906**	**48,150**	**43,237**

Consolidation

Consolidation principles

The annual financial statements included in the consolidated financial statements are subject to uniform accounting policies. For subsidiaries with differing reporting periods that end more than three months prior to the end of the Group's reporting period, interim financial statements were prepared for the purposes of the consolidated financial statements. Intragroup balances and transactions are eliminated.

Subsidiaries are defined as all entities that are controlled by the Group. The Group controls a company if, due to voting or other rights, it has direct or indirect decision-making powers over a Group company and if, as a result, it participates in variable returns from the Group company and can influence these returns through its decision-making powers. All of these criteria must be met. The Group holds the majority of voting rights in all its non-structured subsidiaries. When assessing whether control exists, potential voting rights are considered where these are substantive.

A separate review of the principal-agent relationship is performed for **investment funds** – both where investment funds are managed by the Group and for funds managed by third parties in which the Group holds an interest. This analyses the decision-making processes to establish whether control of the material business activities lies with the fund management or the investors. Apart from the variability of the fund management fee, the focus is on substantive rights to dismiss the management or to trigger the liquidation of the fund, and on the role of the investors on the investment fund's governing and other bodies.

The Group accounts for **business combinations** using the purchase method if the set of activities and assets qualify as a business. Subsidiaries must be consolidated as from the date on which control passes to the Group and are deconsolidated as soon as control ends. Costs corresponds to the fair value of the assets acquired and liabilities arising or assumed as at the transaction date. Assets, liabilities and contingent liabilities that can be identified in a business combination are measured during initial consolidation at their acquisition-date fair values. Any positive difference arising when the cost is eliminated against the fair value of the net assets is recognised as goodwill under the Intangible assets item. Non-controlling interests in acquired companies are generally reported based on the proportionate interest in the net assets of the acquired companies.

Companies over which the Group is able to exercise significant influence are generally accounted for as **associates** using the equity method in accordance with IAS 28, and are initially recognised at cost (including transaction costs). An individual analysis of the Group's actual ability to influence associates is performed for all material participating interests. This is based on the assumption that a significant influence exists if a company belonging to the Group directly or indirectly holds at least 20%, but no more than 50%, of the voting rights.

A **joint venture** is an arrangement over which the Group has joint control, giving it rights to the net assets of the arrangement rather than rights in relation to its assets and obligations in relation to its liabilities. These entities are accounted for using the equity method.

Following the introduction of IFRS 17, associates and joint ventures held as the underlying items for a group of insurance contracts with direct and discretionary participation features are accounted for at fair value.

Equity method accounting ends when the Group ceases to have significant influence or joint control. For further information, please see our disclosures in the Accounting policies section.

Structured entities as defined in IFRS 12 are entities that have been designed in such a way that voting or similar rights are not the dominant factor in assessing who controls the entity. This is the case, for example, where any voting rights relate to administrative tasks only and the relevant activities are governed by contractual arrangements.

Within the Group, the requirement to consolidate structured entities is examined by analysing both transactions in which the Group initiates a structured entity, either by itself or together with third parties, and transactions in which it enters into a contractual relationship, either by itself or with third parties, with an existing structured entity. Decisions whether or not to consolidate entities are reviewed as needed, and at least once a year.

Basis of consolidation

Subsidiaries, associates and joint ventures that are insignificant both individually and in the aggregate for the Group's assets, liabilities, financial position and financial performance are exempted from consolidation or from application of the equity method. Insignificance is determined by comparing the company's total assets and net income with the corresponding average figures for the Group as a whole for the last three years.

For this reason, 45 (37) subsidiaries whose primary business purpose is to provide services for the Group's insurance companies were not consolidated in the reporting period. A further 10 (8) associates and 2 (2) joint ventures were not accounted for using the equity method due to insignificance. Altogether, the total assets of these entities amounted to less than 1% of average total Group assets in the last three years. Additionally, the companies' net income amounted altogether to less than 2% of the Group's average net income for the last three years. The entities not included in the basis of consolidation for reasons of insignificance are examined at the end of each reporting period to establish whether they should be consolidated or accounted for using the equity method because the assessment of their materiality has changed.

For information on the composition of the Group, including a complete list of shareholdings, please refer to the Shareholdings section of the consolidated financial statements on pages 387 ff. Information on associates and joint ventures can be found in Note 7.

BASIS OF CONSOLIDATION

	2024	2023
Number of consolidated subsidiaries		
Domestic [1]	87	76
Foreign [2]	163	158
Subtotal	**250**	**234**
Number of consolidated investment funds (subsidiaries) [3]		
Domestic	24	26
Foreign	6	6
Subtotal	**30**	**32**
Number of consolidated structured entities		
Domestic	—	—
Foreign	3	3
Subtotal	**3**	**3**
Total number of consolidated entities		
Domestic	111	102
Foreign	172	167
Total	**283**	**269**
Number of equity-accounted associates and joint ventures		
Domestic [4]	3	4
Foreign [5]	4	5
Total	**7**	**9**
Number of fair value-accounted associates and joint ventures		
Domestic [6]	3	4
Foreign	5	5
Total	**8**	**9**

[1] This figure comprises 85 (74) individual entities and 2 (2) entities consolidated in 1 (1) subgroup.
[2] This figure comprises 66 (65) individual entities and 97 (93) entities consolidated in 4 (4) subgroups.
[3] These investment funds do not constitute structured entities since control is exercised through voting rights or similar rights.
[4] Includes 0 (1) domestic joint venture.
[5] This figure comprises 3 (2) individual entities and 1 (3) equity-accounted investment(s) included in a subgroup.
[6] Includes 0 (1) domestic joint venture.

Disclosures on the nature and extent of significant restrictions

Statutory, contractual or supervisory restrictions, and protective rights of non-controlling interests can restrict the Group's ability to access or use the assets, to transfer them freely to or from other entities within the Group, and to settle the Group's liabilities. The following significant restrictions applied to the following subsidiaries with non-controlling interests as at the end of the reporting period because of protective rights in favour of the shareholders concerned.

SIGNIFICANT RESTRICTIONS AT MATERIAL SUBSIDIARIES

Company	Nature and extent of significant restrictions
E+S Rückversicherung AG, Hannover	The sale and transfer of shares of E+S Rückversicherung AG are subject to endorsement and must be approved by that company's supervisory board. Said supervisory board has the right to issue or refuse approval and is not obliged to give any reasons in the event of a refusal.

Other restrictions on transferring assets between Group companies may exist in certain countries as a result of local minimum capital and solvency requirements and, to a lesser extent, of currency restrictions. The Group has established US trust accounts and furnished other collateral for US cedants totalling EUR 12,691 (10,305) million in order to secure our technical liabilities. The securities held in the trust accounts are reported as investments measured at fair value through other comprehensive income. The amount includes the equivalent of EUR 7,187 (5,112) million provided by investors as security for possible technical liabilities arising from transactions with insurance-linked securities (ILS). Other blocked custody accounts and other trust accounts in favour of reinsurers and cedants, generally outside the USA, were also established in the amount of EUR 4,038 (3,758) million. In certain countries, collateral for liabilities to credit institutions of EUR 1,129 (1,210) million was provided in connection with property companies and real estate transactions. For further information, please refer to our disclosures in the Risks from investments subsection of the Credit risks section of the risk report in the Group management report.

Disclosures on subsidiaries with significant non-controlling interests

Non-controlling interests in the equity of subsidiaries are reported separately in equity. They amounted to EUR 6,834 (6,347) million at the end of the reporting period.

SUBSIDIARIES WITH SIGNIFICANT NON-CONTROLLING INTERESTS[1]

	Hannover Rück SE subgroup[2]	
EUR million	**2024**	2023
Domicile/country of formation	Hannover, Germany	Hannover, Germany
Non-controlling interests	49.78%	49.78%
Investments	65,888	60,129
Reinsurance contract assets	1,502	1,526
Insurance contract assets	1,506	1,020
Total assets	**72,127**	**65,665**
Subordinated liabilities	3,230	3,230
Insurance contract liabilities	48,918	44,239
Reinsurance contract liabilities	656	699
Other provisions	1,026	610
Equity	**12,688**	**11,020**
of which non-controlling interests[3]	6,764	5,857
Total debt	**59,439**	**55,468**
Insurance revenue (gross)	26,379	24,457
Insurance service result (net)	3,019	1,658
Net investment income	2,005	1,588
Operating profit/loss (EBIT)	3,318	1,971
Net income	**2,397**	**1,828**
of which non-controlling interests[3]	1,238	879
Other comprehensive income	**181**	**–21**
Total comprehensive income	**2,577**	**–1,807**
of which non-controlling interests[3]	485	–158
Cash flows from operating activities	5,682	5,786
Cash flows from investing activities	–4,412	–4,510
Cash flows from financing activities	–1,105	–1,501
Cash and cash equivalents at the end of the reporting period	**1,253**	**1,055**
Dividends paid to non-controlling interests during the year[4]	**476**	**405**

[1] All amounts relate to financial information before consolidation.
[2] Information provided by the Hannover Rück SE subgroup.
[3] The non-controlling interests in equity, net income and total comprehensive income of the Hannover Rück SE subgroup are based on the proportionate indirect share.
[4] Contained in cash flows from financing activities.

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 Compañia 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 90 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).

Transaction costs related to the acquisition (EUR 9.2 million) are recognised in Other comprehensive income.

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 717 million and net income at EUR 114 million. The information required by IFRS 3 B64 (q) could not be provided because the accounting was not converted to IFRS until the date of initial consolidation.

Joint HR MR Private Equity GmbH, in which Hannover Rück SE and E+S Rückversicherung AG jointly held 50% of the share capital, was split by way of mutual agreement with the joint venture partner Münchener Rückversicherungs-Gesellschaft AG with effect from 1 July 2024. The legal successor of Joint HR MR Private Equity GmbH was Münchener Rückversicherungs-Gesellschaft AG. While the strategies of the joint venture partners were well aligned in the prevailing market environment, Munich Re and Hannover Rück decided within the framework of their respective internal strategy processes to pursue different strategies in future, with a more differentiated risk appetite.

As a consequence of the split, the shares in HR PE GmbH and E+S PE GmbH (as well as all other shares held by these companies) that were contributed in full when the joint venture was established were returned to Hannover Rück SE and E+S Rückversicherung AG, respectively. On the date of the split, Hannover Rück SE and E+S Rückversicherung AG held direct minority interests in two subsidiaries of HR PE GmbH and E+S PE GmbH. These minority interests were recognised in the consolidated financial statements at fair value, with the fair value at the time of the joint venture split amounting to roughly EUR 339 million.

The fair value of the consideration transferred amounted to EUR 2,006 million in total. This amount comprises the pro-rata fair value of the joint venture at the time of the split and an additional compensation payment of approximately EUR 21 million to be paid to the joint venture partner, since the agreement to split up the joint venture did not provide for each partner to receive equal shares. Together with the fair value of the minority interests already held, amounting to EUR 339 million, the total comes to EUR 2,345 million. This figure includes loans granted to Hannover Rück SE and E+S Rückversicherung AG in the amount of EUR 171 million, which will be eliminated in the course of debt consolidation in the consolidated financial statements (actually pre-existing relationship). The acquisition did not result in any goodwill. No further conditional purchase price payments were made. The net assets of the acquired companies, as recognised in the balance sheet, amount to EUR 2,174 million and comprise acquired assets of EUR 2,229 million and acquired liabilities of EUR 55 million. The vast majority of the assets (EUR 2,066 million) comprise private equity investments. Since the acquisition date, the companies have generated an operating profit (EBIT) of EUR 54 million. Equity effects recognised directly in equity solely stem from the translation of various functional currencies into the Group currency.

On 20 December 2024, the strategic partnership between the Talanx Group and Meiji Yasuda Life Insurance, Tokyo, Japan (Meiji Yasuda), was terminated effective 31 December 2025. The Talanx Group is thus exercising its right to terminate the partnership agreement that was agreed when the two partners entered into the partnership. Both parties to the agreement have also agreed on the financial terms and conditions under which the shares held by Meiji Yasuda in Towarzystwo Ubezpieczeń i Reasekuracji Warta S. A. (Warta), Warsaw, Poland (24.26%), and Towarzystwo Ubezpieczeń Europa S. A. (Europa), Wrocław, Poland, (50.0% minus one share), will be transferred. In accordance with the relevant IFRS, the Talanx Group has decided to recognise this transaction using the anticipated acquisition method. As a result, Warta and Europa (both in the Retail International segment) will already be recognised as wholly owned subsidiaries of HDI International AG, Hannover, Germany, in the Retail International segment as at 31 December 2024, and an other liability (under the sub-item Other liabilities) will be recognised at the expense of the shares of non-controlling interests and retained earnings. The purchase price, in the mid three-digit million euro range, is due in the first quarter of 2026.

Disclosures on consolidated structured entities

Kaith Re Ltd., LI RE and Kubera Insurance (SAC) Ltd. (all Hamilton, Bermuda) were consolidated as at the end of the reporting period.

Kaith Re Ltd. is a segregated accounts company (SAC) whose sole purpose is to transform reinsurance risks into securitised investment products. This transfers the entire risk to the investor concerned in all cases. SACs have segregated accounts in addition to their general account that are legally entirely separate from each other and from the general account in terms of liability, and that are used to execute the above-mentioned securitisation transactions for the investors.

Kubera Insurance (SAC) Ltd. is also a SAC whose purpose is to establish segregated accounts which are then made available to non-Group companies for structured financial transactions.

In accordance with IFRS 10, we classify the general account and segregated accounts as separate entities and apply the principles of silo accounting to them. Accordingly, Hannover Rück SE is required to consolidate the general accounts of Kaith Re Ltd. and Kubera Insurance (SAC) Ltd. and is contractually obliged to pay the costs of external service providers, which must be met from the funds in the general account. Each segregated account must be examined separately by the parties involved (investors) to establish whether a consolidation requirement exists, and must be consolidated on the basis of the individual contractual arrangements.

LI RE is a segregated account of Kaith Re Ltd. whose purpose – as in the case of all of Kaith Re Ltd.'s segregated accounts – is to securitise underwriting risks. In contrast to the other segregated accounts, Leine Investment SICAV-SIF, Luxembourg, is LI RE's sole investor and risk taker.

At the end of the reporting period, the Group had not provided any financial or other support for a consolidated structured entity. The Group does not intend to provide financial or other support to one or more of these entities where it is not contractually obliged to do so.

Disclosures on unconsolidated structured entities

The unconsolidated structured entities are used for the following types of transactions:

BREAKDOWN OF UNCONSOLIDATED STRUCTURED ENTITIES BY THE NATURE OF THE ENTITY, INCLUDING A PRESENTATION OF THE LOSS EXPOSURE

Nature and purpose of the business relationship or investment
Investments (including investments in CAT bonds (ILS))
Investments: As part of its asset management activities, the Group is invested in various funds, which themselves transact certain types of equity and debt investments, and whose fund/corporate management has been outsourced to a fund manager. The investments consist of special funds, private equity funds, bond funds, collateralised debt obligations, real estate funds, index funds and other retail funds. In some cases, Talanx companies also act as fund managers (as an agent) in order to collect management fees on behalf of the investors. Material risks consist of the risk of loss of capital invested that is typical for funds. The maximum loss exposure corresponds to the carrying amounts. With regard to the fund management for non-Group investors, the loss exposure is limited to any default on the future administration fees. The volume of assets managed for non-Group investors amount to EUR 41 (34) billion and the generated commissions total EUR 142 (120) million.
Leine Investment SICAV-SIF: Hannover Rück SE is invested via its subsidiary Leine Investment SICAV-SIF, Luxembourg, in a number of structured entities that issue catastrophe bonds to securitise catastrophe risks. Leine Investment General Partner S. à r. l. is the managing partner of Leine Investment SICAV-SIF, whose purpose consists of the development, holding and management of a portfolio of insurance-linked securities (CAT bonds), including for investors outside the Group. The volume of these transactions is the carrying amount of the relevant investments and amounted to the equivalent of EUR 184 (157) million at the reporting date. The maximum loss exposure corresponds to the carrying amounts.
Unit-linked life insurance contracts
There are unit-linked life insurance contracts at the reporting date resulting from the life insurance business of Group companies. In this form of investment, all risks and returns are attributable to the policyholder, meaning that the Group has no obligations or risk exposures. The investments and the attributable obligations to the policyholders are classified as a single unit for which the policyholder makes the investment decision; there is therefore no requirement to consolidate them. Liabilities from these contracts are included in technical provisions.
Collateralised fronting (ILS)
As part of its extended ILS activities, Hannover Rück SE has entered into collateralised fronting arrangements, under which risks assumed from cedants are passed on to institutional investors outside the Group using structured entities. The purpose of such transactions is to directly transfer clients' business. The volume of the transactions refers to the reinsurance layer of the underlying retrocession agreements and amounted to EUR 5,403 (6,278) million at the reporting date. A portion of the reinsurance layer is funded and collateralised by contractually defined investments in the form of cash and cash equivalents. A further portion remains uncollateralised or is collateralised by less liquid securities. The maximum loss exposure from the uncollateralised reinsurance layer as at the reporting date was EUR 673 (1,851) million. However, this does not correspond to the economic loss exposure measured in accordance with recognised actuarial methods. The worst-case modelled expected loss in 10,000 years is a maximum of EUR 32 (43) million.
Retrocessions and securitisation of reinsurance risks
The securitisation of reinsurance risks is largely performed using structured entities. "K Cession": Through its "K transactions", Hannover Rück SE secured underwriting capacity for catastrophe risks on the capital market. The "K Cession", which was placed with institutional investors from North America, Europe and Asia, involves a quota share cession on its worldwide natural catastrophe business as well as aviation and marine risks of Hannover Rück SE. From the total volume of the "K Cession", an amount converted as at the reporting date of EUR 504 (647) million was securitised through structured entities. The transaction has an indefinite term and can be called annually by the investors. Segregated accounts of Kaith Re Ltd. are being used as a transformer in relation to part of this transaction. Hannover Rück SE also uses further segregated accounts of Kaith Re Ltd. and other structured entities outside the Group for various retrocessions both of its traditional cover and also its ILS cover that are both passed on to institutional investors in the form of securitised transactions. The volume of these transactions is measured by reference to the reinsurance layer of the underlying retrocession agreements and amounted to EUR 7,687 (6,790) million at the reporting date. All structured entities are fully funded by contractually defined investments in the form of cash and cash equivalents. As the entire reinsurance layer of the structured entities is thus fully collateralised in each case, there is no underwriting loss exposure for Hannover Rück SE in this respect.
"Unterstützungskassen" (provident funds)
"Unterstützungskassen" are provident funds with legal capacity that assume responsibility for performing a benefit commitment for an employer. The Group's relationship with these entities is based on the support it provides to establish these entities and the insurance business it concludes. As the Group cannot direct the relevant activities of the "Unterstützungskassen" and has no rights to variable returns from them, there is no requirement for the Group to consolidate these entities. These entities do not result in assets, liabilities or default risk for the Group.

BUSINESS RELATIONSHIPS AND CARRYING AMOUNTS OF THE ASSETS AND LIABILITIES OF UNCONSOLIDATED STRUCTURED ENTITIES

EUR million	31.12.2024				31.12.2023			
Type of unconsolidated structured entity	General investment activity/ investments	Unit-linked life insurance contracts	Investments in CAT bonds (ILS)	Retrocession: securitisations of reinsurance risks	General investment activity/ investments	Unit-linked life insurance contracts	Investments in CAT bonds (ILS)	Retrocession: securitisations of reinsurance risks
Assets								
Financial instruments measured at fair value through other comprehensive income	3,791	—	—	—	3,364	—	—	—
Financial instruments measured at fair value through profit or loss	11,585	—	184	—	8,892	—	157	—
Investments for the account and risk of life insurance policyholders[1]	—	14,138	—	—	—	12,478	—	—
Reinsurance contract assets	—	—	—	354	—	—	—	186
Total asset items	**15,376**	**14,138**	**184**	**354**	**12,256**	**12,478**	**157**	**186**
Equity and liabilities								
Reinsurance contract liabilities	—	—	—	—	—	—	—	298
Total equity and liabilities items	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**298**

[1] Under the VFA, the fair values of investments for the account and risk of life insurance policyholders are used as reference values in the calculation of technical provisions.

Where they result from general investment activities or investments in CAT bonds, income and expenses from business relationships with unconsolidated structured entities are reported in Net investment income; if they are attributable to retrocessions and securitisations, they are reported in the technical account.

Kubera Insurance (SAC) Ltd has set up an additional segregated account that gathered investor capital via issued bonds that was provided to an Australian insurance broker in a swap agreement to finance the broker's business. Redemption of the bonds depends on the intermediary's performance. Hannover Rück SE, along with other external parties, is an investor in the bonds. The segregated account can be used flexibly for other rounds of financing. Hannover Re does not own the segregated account.

As at the end of the reporting period, no Group company had provided any financial or other support for these unconsolidated structured entities. Equally, there are currently no intentions to provide financial or other support without a contractual obligation to do so. Commitments that we do not classify as support – such as outstanding capital commitments under existing investment exposures – are presented in the Contingent liabilities and other financial commitments subsection of the Other disclosures section.

Non-current assets held for sale and disposal groups

HDI Global SE, Hannover (Corporate & Specialty 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 14 (16) million and technical provisions of EUR 22 (25) million. The disposal relates to the strategic focus of the Corporate & Specialty segment and is expected to take place in the second half of 2025. Valuation adjustments were not necessary.

Real estate

As at the end of the reporting period, we are reporting real estate holdings of EUR 42 (4) million as held for sale, which are attributable to the Reinsurance Division (EUR 40 [0] million) and the Retail Germany Division (EUR 1 [0] million). Fair values are largely measured internally within the Group using the German discounted cash flow method plus external expert opinions in individual cases. The purchase price is used where a sale has been agreed as binding. The intentions to sell were based on individual property market and property conditions, taking into account current and future opportunity/risk profiles.

Notes to the consolidated balance sheet – assets

(1) Goodwill

GOODWILL BY SEGMENT

EUR million	Corporate & Specialty	Retail International	Retail Germany	Property/ Casualty Reinsurance	2024	2,023
Gross carrying amount as at 31.12. of the previous year	**157**	**1,192**	**324**	**36**	**1,708**	**1,116**
Changes in the basis of consolidation	—	90	—	—	90	568
Exchange rate changes	—	–113	—	1	–112	24
Gross carrying amount as at 31.12. of the financial year	**157**	**1,169**	**324**	**37**	**1,687**	**1,708**
Accumulated impairment losses as at 31.12. of the previous year	**–5**	**–17**	**–75**	**—**	**–97**	**–96**
Exchange rate changes	—	2	—	—	2	–1
Accumulated impairment losses as at 31.12. of the financial year	**–5**	**–15**	**–75**	**—**	**–95**	**–97**
Carrying amount as at 31.12. of the previous year	152	1,175	248	35	1,611	1,020
Carrying amount as at 31.12. of the financial year	**152**	**1,154**	**248**	**37**	**1,592**	**1,611**

Impairment test

Goodwill is allocated to cash-generating units (CGUs) or groups of CGUs in accordance with IFRS 3 in conjunction with IAS 36. The allocation is made to those CGUs or groups of CGUs that are expected to derive economic benefits in the form of cash flows from the business combination that gave rise to the goodwill. The CGUs to which goodwill is allocated represent the lowest organisational level at which goodwill is monitored for internal management purposes.

The Group has therefore allocated all goodwill to CGUs or groups of CGUs. In the case of the Corporate & Specialty and Property/Casualty Reinsurance segments, the CGUs correspond to the segments of the same name in accordance with IFRS 8. In the Retail International segment, each foreign market essentially represents a separate CGU; however, the lowest goodwill monitoring level corresponds to the geographical regions, which represent groups of CGUs. In the Retail Germany segment, the property/casualty and life insurance lines of business represent separate CGUs, whereby only the property/casualty CGU carries goodwill.

CGUS TO WHICH GOODWILL IS ALLOCATED

EUR million (measured at the closing rate)	31.12.2024	31.12.2023
Corporate & Specialty segment	152	152
Retail International segment		
Latin America	720	744
Europe	434	431
Retail Germany segment		
Property/Casualty	248	248
Property/Casualty Reinsurance segment	37	35

The Group regularly tests goodwill for impairment in the fourth quarter of each year, based on data as at 30 September of that year. Since there was no evidence of impairment for any of the CGUs or groups of CGUs as at the end of the reporting period, it was not necessary to perform an unscheduled impairment test.

Potential indications of impairment are identified by comparing the carrying amount of the CGU or the group of CGUs, including the allocated goodwill, with its recoverable amount. If the carrying amounts exceed the recoverable amount, a goodwill impairment is recognised in the statement of income. The recoverable amount is the higher of fair value less costs of disposal and value in use. With the exception of the reinsurance segments, it is measured for all CGUs or groups of

CGUs on the basis of value in use. The latter is calculated using a recognised valuation technique, normally the discounted cash flow method. If CGUs or groups of CGUs comprise more than one Group company, a sum-of-the-parts approach is used. The recoverable amount in the Reinsurance segment is measured on the basis of fair value less costs of disposal (Level 1 of the fair value hierarchy).

Key assumptions used in determining the recoverable amount (value in use)

When the property/casualty insurers and the life insurers are measured using the German discounted cash flow method, the present value of future cash flows is calculated based on the projected income statements approved by the management of the companies concerned. The projections are prepared on a standalone basis, based on the going concern assumption and on the premise that the entity will continue to operate a generally unchanged concept. As a rule, they project after-tax net income for the next five years and then extrapolate to perpetuity starting in the sixth year. The constant growth rates shown below – which are based on conservative assumptions – are used to extrapolate the cash flows beyond the detailed planning period.

Climate factors are taken into account in the actuarial function. These also include the risks of climate change and risks from changes to the macroeconomic environment. The underwriting result as part of the cash flow extrapolation is incorporated when preparing projections and thus affects the recoverable amount.

The bancassurance property insurers are measured at the present value of their future cash flows; only future earnings up to the end of the relevant cooperation period are factored into the calculation. After this, a linear decrease in earnings over three years and notional liquidation proceeds after that are assumed.

Macroeconomic assumptions as to economic growth, inflation, interest rate trends and the market environment are made when forecasting future company-specific cash flows for individual CGUs or groups of CGUs. These assumptions correspond to the economic forecasts for the countries in which the units being measured are located and are in line with market expectations and sector forecasts.

The combined ratio as an indicator of business performance in the area of property/casualty insurance, and is derived from the projections for the development of insurance revenue and expenses. When forecasting insurance revenue and expenses, key estimates include the growth opportunities in the market environment concerned and claims and cost trends in the context of measures planned at company level. Investment income is projected on the basis of the individual asset portfolios, including their relevant term structure and currency distribution, with the projection being based on the assumptions regarding interest rate trends. The net return on investment therefore varies widely by CGU or group of CGUs, depending on the level of interest rates in the currency area in question. The main planning assumption made in life insurance relates to interest rate trends.

The key assumptions shown above are produced by aggregating the business plans for the individual companies in a CGU or a group of CGUs. The values assigned to the key parameters are arrived at from past experience and future expectations. The values for the assumptions regarding interest rate trends in individual countries are defined uniformly throughout the Group and are derived from publicly available information sources. Any present values calculated in local currency are translated at the exchange rate as at the reporting date.

The German discounted cash flow method is normally used to measure the life insurance companies (this is relevant only for the Europe and Latin America groups of CGUs). For the Italian life insurance company in the Europe group of CGUs, the valuation is based on the market-consistent embedded value (MCEV).

The discount factor (capitalisation rate) for the Group companies is calculated on the basis of the capital asset pricing model (CAPM). The assumptions underlying the calculation of the capitalisation rate, including the risk-free base interest rate, the market risk premium and the beta factor, are determined on the basis of publicly available information and/or capital market data. The constant long-term growth rates used are arrived at using past experience and future expectations, taking into account country-based inflation assumptions. The long-term average growth rates for the markets in which the companies operate are exceeded only in individual cases in countries in which very high nominal inflation rates are observed so as to avoid an inappropriate, real contraction scenario.

CAPITALISATION RATES AND LONG-TERM GROWTH RATES

%	Capitalisation rate 2024[1]	Capitalisation rate 2023[1]	Long-term growth rate 2024[1]	Long-term growth rate 2023[1]
Corporate & Specialty				
Eurozone	9,15–9,65	9,65–9,90	1.00	1.00
Other countries	10,90–20,15	10,65–21,90	1,00–4,00	1,00–4,00
Retail International				
Europe				
Poland	12,15–14,25	12.15	2.00	2.00
Italy	11.15	11.65	1.00	1.00
Other countries	9,65–32,90	9,90–24,90	1,00–12,00	1,00–8,00
Latin America				
Brazil	18.15	17.40	4.00	4.00
Chile	12.40	12.40	3.00	3.00
Mexico	16.65	15.65	3.00	3.00
Other countries	14,40–47,90	15,15–101,90	3,00–10,00	3,00–10,00
Retail Germany				
Property/Casualty	9.15	9,15–13,00	0,00–1,00	0,00–1,00

[1] The figures relate to the reference date for the regular impairment test (30 September of each financial year).

Impairment losses in the reporting period

As in the prior year, there was no need to recognise goodwill impairment losses in the financial year.

Sensitivity analyses

The Group performed sensitivity analyses on the key parameters when calculating the recoverable amounts for all CGUs or groups of CGUs to which goodwill is allocated.

A number of conceivable scenarios plus the relevant changes in inputs were defined and studied in detail in order to ensure that key risks were covered when calculating value in use. These risks include underwriting risk (combined ratio), interest rate inputs (interest rate risk), currency inputs (foreign exchange risk) and equity inputs (equity risk). In each different scenario, one input was modified when calculating value in use, whereas the other assumptions were left unchanged in the medium-term planning and in the extrapolation, and the resulting change in fair value was then calculated. The calculations are based on the value in use determined during impairment testing.

Unless stated otherwise below, the calculations of conceivable input changes have not led to any potential impairment. In the case of the “Europe” group of CGUs, the recoverable amount determined as the value in use exceeds the carrying amount by EUR 185 million. Depending on the country, the detailed planning was based on a combined ratio of approximately 85%–100% for the material companies of the group of CGUs. A +0.50 percentage point change in the combined ratio for the Europe group of CGUs in the detailed planning and a 9.43% depreciation of local currencies against the euro would have brought the group of CGUs’ recoverable amount closer to the carrying amount. In addition, a decrease in the interest rates underlying the capital yields by 26 basis points for the Europe group of CGUs in the detailed planning would have brought the group of CGUs’ recoverable amount closer to the carrying amount. Detailed planning for the Europe group of CGUs is based on investment income with interest rates of between 1.8% and 26.3%, depending on the country and currency.

In the case of the Retail Germany – Property/Casualty CGU, the recoverable amount determined as the value in use exceeds the carrying amount by EUR 93 million. Detailed planning was based on a combined ratio of approximately 90% – 100% for the CGU. A +0.70 percentage point change in the combined ratio or a reduction in the interest rates for the investment income of 27 basis points, or of 42 basis points if combined with an adjustment of the discount rate for the CGU in the detailed planning, would have brought the CGU’s recoverable amount closer to the carrying amount. Detailed planning for the CGU is based on investment income with interest rates of 2.4%–2.6%, depending on the planning year.

(2) Other intangible assets

CHANGES IN OTHER INTANGIBLE ASSETS

				Finite useful life	Indefinite useful life		
		Software					
EUR million	Purchased	Developed	Acquired distribution networks and customer relationships	Other	Acquired brand names	2024	2023
Gross carrying amount as at 31.12. of the previous year	**796**	**146**	**449**	**302**	**52**	**1,745**	**1,277**
Changes in the basis of consolidation	–2	20	14	—	2	33	267
Additions	32	13	1	30	—	75	219
Disposals	–17	–16	–1	–24	—	–59	–54
Reclassifications	26	—	—	–26	—	—	—
Exchange rate changes	–9	–14	–2	16	–2	–10	35
Gross carrying amount as at 31.12. of the financial year	**826**	**149**	**460**	**298**	**52**	**1,785**	**1,745**
Accumulated amortisation and impairment losses as at 31.12. of the previous year	**–604**	**–87**	**–151**	**–118**	**–2**	**–963**	**–826**
Changes in the basis of consolidation	1	–12	—	—	—	–11	–41
Disposals	12	16	—	2	—	30	33
Amortisation/impairment losses							
Amortisation	–90	–24	–26	–9	–9	–158	–108
Impairment losses	—	—	—	—	—	—	–3
Exchange rate changes	6	9	–1	–4	1	11	–18
Accumulated amortisation and impairment losses as at 31.12. of the financial year	**–675**	**–100**	**–178**	**–129**	**–10**	**–1,092**	**–963**
Carrying amount as at 31.12. of the previous year	192	58	298	184	50	782	452
Carrying amount as at 31.12. of the financial year	**151**	**50**	**282**	**169**	**42**	**693**	**782**

The acquired brand names worth EUR 42 (50) million (primarily "WARTA" [EUR 31 million]) are indefinite-lived intangible assets since, based on an analysis of all relevant factors (including anticipated use, control, dependence on other assets), there is no foreseeable limitation on the period during which the asset can be expected to generate net cash flows.

(3) Insurance contract assets

The insurance acquisition cash flows of EUR 22 (17) million recognised as assets in the Retail International segment are expected to be derecognised in full in the following two calendar years.

More information on the insurance contracts issued can be found in Note 18.

(4) Reinsurance contract assets

Reconciliation of changes in the carrying amount

Corporate & Specialty

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

	Asset for remaining coverage – ceded		Asset for incurred claims – ceded			
				Contracts measured under the PAA		
EUR million	Excluding loss-recovery component	Loss-recovery component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2024						
Carrying amount of assets at the start of the reporting period	–320	6	—	7,354	245	7,285
Carrying amount of liabilities at the start of the reporting period	–193	—	—	128	5	–59
Net opening balance	**–513**	**6**	**—**	**7,482**	**250**	**7,226**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	1	—	2
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Amounts payable to reinsurers						
Allocation of reinsurance premiums paid	–3,517	—	—	—	—	–3,517
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts payable to reinsurers	**–3,517**	**—**	**—**	**—**	**—**	**–3,517**
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	—	—	—	2,115	27	2,141
Amortisation of insurance acquisition cash flows	—	—	—	—	—	—
Recoveries and reversals of recoveries of losses on onerous underlying contracts	—	–6	—	—	—	–6
Adjustments to assets for incurred claims	—	—	—	283	–51	231
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts recoverable from reinsurers	**—**	**–6**	**—**	**2,397**	**–25**	**2,367**
Investment components	—	—	—	—	—	—
Net income or expense from reinsurance contracts held	**–3,517**	**–6**	**—**	**2,398**	**–25**	**–1,150**
Insurance finance income and expenses from reinsurance contracts held	20	—	—	216	2	238
Effect of movements in exchange rates	–18	—	—	117	4	103
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–3,515**	**–6**	**—**	**2,731**	**–18**	**–809**
Cash flows						
Premiums paid	3,684	—	—	—	—	3,684
Payments received for incurred claims and other insurance service expenses	—	—	—	–2,241	—	–2,241
Insurance acquisition cash flows	–124	—	—	—	—	–124
Other cash flows	—	—	—	—	—	—
Total cash flows	**3,560**	**—**	**—**	**–2,241**	**—**	**1,319**
Net closing balance	**–467**	**—**	**—**	**7,974**	**232**	**7,738**
Carrying amount of assets at the end of the reporting period	–324	—	—	7,944	231	7,851
Carrying amount of liabilities at the end of the reporting period	–143	—	—	30	1	–112

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

EUR million	Asset for remaining coverage – ceded		Asset for incurred claims – ceded			
				Contracts measured under the PAA		
	Excluding loss-recovery component	Loss-recovery component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2023						
Carrying amount of assets at the start of the reporting period	15	5	—	6,912	261	7,193
Carrying amount of liabilities at the start of the reporting period	–547	—	—	377	3	–167
Net opening balance	**–532**	**5**	**—**	**7,289**	**264**	**7,026**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	5	—	5
Disposal groups in accordance with IFRS 5	—	—	—	7	—	7
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Amounts payable to reinsurers						
Allocation of reinsurance premiums paid	–3,292	—	—	—	—	–3,292
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts payable to reinsurers	**–3,292**	**—**	**—**	**—**	**—**	**–3,292**
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	—	–3	—	1,855	25	1,878
Amortisation of insurance acquisition cash flows	—	—	—	—	—	—
Recoveries and reversals of recoveries of losses on onerous underlying contracts	—	4	—	—	—	4
Adjustments to assets for incurred claims	—	—	—	210	–40	170
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts recoverable from reinsurers	**—**	**1**	**—**	**2,065**	**–15**	**2,052**
Investment components	—	—	—	—	—	—
Net income or expense from reinsurance contracts held	**–3,292**	**1**	**—**	**2,065**	**–15**	**–1,240**
Insurance finance income and expenses from reinsurance contracts held	15	1	—	284	4	304
Effect of movements in exchange rates	13	–1	—	–128	–4	–120
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–3,264**	**1**	**—**	**2,221**	**–14**	**–1,056**
Cash flows						
Premiums paid	3,207	—	—	—	—	3,207
Payments received for incurred claims and other insurance service expenses	—	—	—	–2,039	—	–2,039
Insurance acquisition cash flows	75	—	—	—	—	75
Other cash flows	—	—	—	—	—	—
Total cash flows	**3,283**	**—**	**—**	**–2,039**	**—**	**1,244**
Net closing balance	**–513**	**6**	**—**	**7,482**	**250**	**7,226**
Carrying amount of assets at the end of the reporting period	–320	6	—	7,354	245	7,285
Carrying amount of liabilities at the end of the reporting period	–193	—	—	128	5	–59

Retail International

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

	Asset for remaining coverage – ceded		Asset for incurred claims – ceded			
				Contracts measured under the PAA		
EUR million	Excluding loss-recovery component	Loss-recovery component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2024						
Carrying amount of assets at the start of the reporting period	25	12	51	910	40	1,038
Carrying amount of liabilities at the start of the reporting period	—	—	—	—	—	—
Net opening balance	**25**	**12**	**52**	**910**	**40**	**1,038**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	83	64	—	–14	–1	133
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	–1	—	—	—	—	–1
Changes in the statement of income and other comprehensive income						
Amounts payable to reinsurers						
Allocation of reinsurance premiums paid	–971	1	—	—	—	–970
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts payable to reinsurers	**–971**	**1**	**—**	**—**	**—**	**–970**
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	—	–143	128	493	2	481
Amortisation of insurance acquisition cash flows	15	—	—	—	—	15
Recoveries and reversals of recoveries of losses on onerous underlying contracts	2	119	—	—	—	121
Adjustments to assets for incurred claims	—	—	6	–29	–2	–25
Changes in the non-performance risk of reinsurers	—	—	1	–3	—	–3
Total amounts recoverable from reinsurers	**17**	**–24**	**135**	**460**	**1**	**589**
Investment components	—	—	—	—	—	—
Net income or expense from reinsurance contracts held	**–954**	**–23**	**135**	**460**	**1**	**–381**
Insurance finance income and expenses from reinsurance contracts held	1	1	4	33	1	40
Effect of movements in exchange rates	15	–1	—	–30	–2	–17
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–939**	**–23**	**140**	**463**	**—**	**–359**
Cash flows						
Premiums paid	678	—	—	—	—	678
Payments received for incurred claims and other insurance service expenses	—	—	–74	–503	—	–577
Insurance acquisition cash flows	218	—	—	—	—	218
Other cash flows	3	—	—	—	—	3
Total cash flows	**898**	**—**	**–74**	**–503**	**—**	**321**
Net closing balance	**66**	**53**	**117**	**856**	**40**	**1,132**
Carrying amount of assets at the end of the reporting period	45	53	116	856	40	1,110
Carrying amount of liabilities at the end of the reporting period	20	—	1	—	—	22

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

EUR million	Asset for remaining coverage – ceded: Excluding loss-recovery component	Asset for remaining coverage – ceded: Loss-recovery component	Asset for incurred claims – ceded: Contracts not measured under the PAA	Asset for incurred claims – ceded: Contracts measured under the PAA: Estimates of present value of future cash flows	Asset for incurred claims – ceded: Contracts measured under the PAA: Risk adjustment for non-financial risk	Total
2023						
Carrying amount of assets at the start of the reporting period	–104	24	43	861	47	870
Carrying amount of liabilities at the start of the reporting period	–2	—	1	—	—	–1
Net opening balance	**–106**	**24**	**44**	**861**	**47**	**870**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	68	—	—	–9	—	59
Disposal groups in accordance with IFRS 5	—	—	—	9	—	9
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Amounts payable to reinsurers						
Allocation of reinsurance premiums paid	–718	1	—	—	—	–717
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts payable to reinsurers	**–718**	**1**	**—**	**—**	**—**	**–717**
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	—	–8	45	707	7	751
Amortisation of insurance acquisition cash flows	12	—	—	—	—	12
Recoveries and reversals of recoveries of losses on onerous underlying contracts	—	–6	—	—	—	–6
Adjustments to assets for incurred claims	—	—	4	–64	–7	–66
Changes in the non-performance risk of reinsurers	—	—	—	–2	—	–2
Total amounts recoverable from reinsurers	**12**	**–14**	**49**	**642**	**—**	**689**
Investment components	–1	—	—	—	—	—
Net income or expense from reinsurance contracts held	**–707**	**–13**	**50**	**642**	**—**	**–28**
Insurance finance income and expenses from reinsurance contracts held	5	1	3	6	–1	14
Effect of movements in exchange rates	49	1	2	–91	–5	–44
Other changes	10	—	—	–10	—	—
Total changes in the statement of income and other comprehensive income	**–642**	**–12**	**54**	**547**	**–6**	**–59**
Cash flows						
Premiums paid	502	—	—	—	—	502
Payments received for incurred claims and other insurance service expenses	—	—	–46	–499	—	–546
Insurance acquisition cash flows	200	—	—	—	—	200
Other cash flows	2	—	—	—	—	2
Total cash flows	**705**	**—**	**–46**	**–499**	**—**	**159**
Net closing balance	**25**	**12**	**52**	**910**	**40**	**1,038**
Carrying amount of assets at the end of the reporting period	25	12	51	910	40	1,038
Carrying amount of liabilities at the end of the reporting period	—	—	—	—	—	—

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

			Contractual service margin			
EUR million	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	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	Total
2024						
Carrying amount of assets at the start of the reporting period	103	28	2	13	39	184
Carrying amount of liabilities at the start of the reporting period	–2	1	—	1	1	—
Net opening balance	**101**	**28**	**2**	**14**	**40**	**184**
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	—	—	—	–3	–57	–60
Changes in risk adjustment for non-financial risk for the risk expired	—	–15	—	—	—	–15
Experience adjustments	1	—	—	—	—	1
Total changes that relate to current services	**2**	**–15**	**—**	**–3**	**–57**	**–74**
Changes that relate to future services						
Contracts initially recognised in the period	–57	14	—	—	42	—
Changes in estimates that adjust the CSM	–9	–4	–2	5	10	—
Changes in estimates that relate to losses and reversals of losses on underlying onerous contracts	2	—	—	—	—	2
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–25	11	—	—	14	—
Total changes that relate to future services	**–89**	**21**	**–2**	**5**	**66**	**2**
Changes that relate to past services						
Adjustment to the asset for incurred claims	7	—	—	—	—	6
Total changes that relate to past services	**7**	**—**	**—**	**—**	**—**	**6**
Effect of changes in the non-performance risk of reinsurers	1	—	—	—	—	1
Total changes that relate to services	**–80**	**6**	**–2**	**2**	**9**	**–64**
Insurance finance income and expenses from reinsurance contracts held	2	—	—	—	2	4
Effect of movements in exchange rates	–4	–2	—	—	–4	–10
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–81**	**3**	**–2**	**2**	**6**	**–71**
Cash flows						
Premiums paid	185	—	—	—	—	185
Payments received for incurred claims and other insurance service expenses	–74	—	—	—	—	–74
Insurance acquisition cash flows	–1	—	—	—	—	–1
Other cash flows	1	—	—	—	—	1
Total cash flows	**111**	**—**	**—**	**—**	**—**	**111**
Net closing balance	**131**	**31**	**—**	**16**	**46**	**225**
Carrying amount of assets at the end of the reporting period	133	31	—	16	46	227
Carrying amount of liabilities at the end of the reporting period	–2	—	—	—	—	–2

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: Contracts measured under the modified retrospective approach	Contractual service margin: Contracts measured under the fair value approach	Contractual service margin: Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	Total
2023						
Carrying amount of assets at the start of the reporting period	34	11	3	14	9	71
Carrying amount of liabilities at the start of the reporting period	–1	—	—	—	—	–1
Net opening balance	**33**	**11**	**3**	**14**	**9**	**70**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	37	11	—	—	20	68
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Changes that relate to current services						
CSM recognised for services provided	—	—	—	–3	–23	–27
Changes in risk adjustment for non-financial risk	—	–17	—	—	—	–17
Experience adjustments	–16	—	—	—	—	–16
Total changes that relate to current services	**–17**	**–17**	**—**	**–3**	**–23**	**–60**
Changes that relate to future services						
Contracts initially recognised in the period	–29	8	—	—	21	—
Changes in estimates that adjust the CSM	–9	2	—	3	4	—
Changes in estimates that relate to losses and reversals of losses on underlying onerous contracts	—	—	—	—	—	—
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–18	11	—	—	8	1
Total changes that relate to future services	**–56**	**21**	**—**	**3**	**33**	**—**
Changes that relate to past services						
Adjustment to the asset for incurred claims	4	—	—	—	—	4
Total changes that relate to past services	**4**	**—**	**—**	**—**	**—**	**4**
Effect of changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total changes that relate to services	**–68**	**4**	**–1**	**—**	**9**	**–56**
Insurance finance income and expenses from reinsurance contracts held	5	—	—	—	1	7
Effect of movements in exchange rates	—	1	—	—	—	1
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–63**	**6**	**–1**	**—**	**11**	**–48**
Cash flows						
Premiums paid	141	—	—	—	—	141
Payments received for incurred claims and other insurance service expenses	–46	—	—	—	—	–46
Insurance acquisition cash flows	—	—	—	—	—	—
Other cash flows	1	—	—	—	—	1
Total cash flows	**95**	**—**	**—**	**—**	**—**	**95**
Net closing balance	**101**	**28**	**2**	**14**	**40**	**184**
Carrying amount of assets at the end of the reporting period	103	28	2	13	39	184
Carrying amount of liabilities at the end of the reporting period	–2	1	—	1	1	—

Retail Germany

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS [1]

	Asset for remaining coverage – ceded		Asset for incurred claims – ceded			
				Contracts measured under the PAA		
EUR million	Excluding loss-recovery component	Loss-recovery component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2024						
Carrying amount of assets at the start of the reporting period	4	1	14	166	3	189
Carrying amount of liabilities at the start of the reporting period	–71	—	2	1	—	–69
Net opening balance	**–67**	**1**	**16**	**166**	**3**	**120**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
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	–514	—	—	—	—	–514
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts payable to reinsurers	**–514**	**—**	**—**	**—**	**—**	**–514**
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	—	–1	330	23	–1	351
Amortisation of insurance acquisition cash flows	—	—	—	—	—	—
Recoveries and reversals of recoveries of losses on onerous underlying contracts	—	—	—	—	—	—
Adjustments to assets for incurred claims	—	—	—	–7	—	–7
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts recoverable from reinsurers	**—**	**–1**	**330**	**16**	**–1**	**344**
Investment components	—	—	—	—	—	—
Net income or expense from reinsurance contracts held	**–514**	**–1**	**330**	**16**	**–1**	**–170**
Insurance finance income and expenses from reinsurance contracts held	2	—	—	3	—	5
Effect of movements in exchange rates	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–512**	**–1**	**330**	**19**	**–1**	**–165**
Cash flows						
Premiums paid	497	—	—	—	—	497
Payments received for incurred claims and other insurance service expenses	—	—	–327	–46	—	–374
Insurance acquisition cash flows	—	—	—	—	—	—
Other cash flows	—	—	—	—	—	—
Total cash flows	**497**	**—**	**–327**	**–46**	**—**	**124**
Net closing balance	**–82**	**—**	**19**	**139**	**2**	**78**
Carrying amount of assets at the end of the reporting period	16	—	17	138	2	174
Carrying amount of liabilities at the end of the reporting period	–98	—	2	—	—	–96

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS [1]

EUR million	Asset for remaining coverage – ceded: Excluding loss-recovery component	Asset for remaining coverage – ceded: Loss-recovery component	Asset for incurred claims – ceded: Contracts not measured under the PAA	Asset for incurred claims – ceded: Contracts measured under the PAA: Estimates of present value of future cash flows	Asset for incurred claims – ceded: Contracts measured under the PAA: Risk adjustment for non-financial risk	Total
2023						
Carrying amount of assets at the start of the reporting period	8	1	20	179	3	211
Carrying amount of liabilities at the start of the reporting period	–27	—	1	–2	—	–28
Net opening balance	**–19**	**1**	**21**	**177**	**3**	**183**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
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	–578	—	—	—	—	–578
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts payable to reinsurers	**–578**	**—**	**—**	**—**	**—**	**–578**
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	—	–1	402	62	1	463
Amortisation of insurance acquisition cash flows	—	—	—	—	—	—
Recoveries and reversals of recoveries of losses on onerous underlying contracts	—	1	—	—	—	1
Adjustments to assets for incurred claims	—	—	—	16	—	16
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts recoverable from reinsurers	**—**	**—**	**402**	**77**	**1**	**480**
Investment components	—	—	—	—	—	—
Net income or expense from reinsurance contracts held	**–578**	**—**	**402**	**77**	**1**	**–98**
Insurance finance income and expenses from reinsurance contracts held	–16	—	—	3	—	–13
Effect of movements in exchange rates	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–594**	**—**	**402**	**80**	**1**	**–112**
Cash flows						
Premiums paid	547	—	—	—	—	547
Payments received for incurred claims and other insurance service expenses	—	—	–407	–91	—	–498
Insurance acquisition cash flows	—	—	—	—	—	—
Other cash flows	—	—	—	—	—	—
Total cash flows	**547**	**—**	**–407**	**–91**	**—**	**49**
Net closing balance	**–67**	**1**	**16**	**166**	**3**	**120**
Carrying amount of assets at the end of the reporting period	4	1	14	166	3	189
Carrying amount of liabilities at the end of the reporting period	–71	—	2	1	—	–69

1

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA [1]

			Contractual service margin			
EUR million	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	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	Total
2024						
Carrying amount of assets at the start of the reporting period	–103	2	131	—	8	38
Carrying amount of liabilities at the start of the reporting period	–308	3	99	—	143	–62
Net opening balance	**–410**	**6**	**230**	**—**	**151**	**–24**
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	—	—	–31	—	–82	–113
Changes in risk adjustment for non-financial risk for the risk expired	—	–1	—	—	—	–1
Experience adjustments	20	—	—	—	—	20
Total changes that relate to current services	**20**	**–1**	**–31**	**—**	**–82**	**–94**
Changes that relate to future services						
Contracts initially recognised in the period	–34	1	—	—	33	—
Changes in estimates that adjust the CSM	–90	1	16	—	72	—
Changes in estimates that relate to losses and reversals of losses on underlying onerous contracts	—	—	—	—	—	—
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	—	—	—	—	—	—
Total changes that relate to future services	**–123**	**2**	**16**	**—**	**105**	**—**
Changes that relate to past services						
Adjustment to the asset for incurred claims	—	—	—	—	—	—
Total changes that relate to past services	**—**	**—**	**—**	**—**	**—**	**—**
Effect of changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total changes that relate to services	**–103**	**1**	**–15**	**—**	**23**	**–94**
Insurance finance income and expenses from reinsurance contracts held	–15	—	12	—	6	2
Effect of movements in exchange rates	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–118**	**1**	**–3**	**—**	**29**	**–91**
Cash flows						
Premiums paid	400	—	—	—	—	400
Payments received for incurred claims and other insurance service expenses	–327	—	—	—	—	–327
Insurance acquisition cash flows	—	—	—	—	—	—
Other cash flows	—	—	—	—	—	—
Total cash flows	**73**	**—**	**—**	**—**	**—**	**73**
Net closing balance	**–456**	**6**	**227**	**—**	**180**	**–42**
Carrying amount of assets at the end of the reporting period	–108	3	124	—	28	47
Carrying amount of liabilities at the end of the reporting period	–348	4	103	—	153	–89

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA[1]

			Contractual service margin			
EUR million	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	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	Total
2023						
Carrying amount of assets at the start of the reporting period	–395	2	151	—	287	45
Carrying amount of liabilities at the start of the reporting period	–107	1	88	—	—	–17
Net opening balance	**–502**	**3**	**239**	**—**	**287**	**28**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Changes that relate to current services						
CSM recognised for services provided	—	—	–33	—	–43	–76
Changes in risk adjustment for non-financial risk	—	–1	—	—	—	–1
Experience adjustments	–2	—	—	—	—	–2
Total changes that relate to current services	**–2**	**–1**	**–33**	**—**	**–43**	**–78**
Changes that relate to future services						
Contracts initially recognised in the period	–55	2	—	—	53	—
Changes in estimates that adjust the CSM	139	1	14	—	–154	—
Changes in estimates that relate to losses and reversals of losses on underlying onerous contracts	—	—	—	—	—	—
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	—	—	—	—	—	—
Total changes that relate to future services	**84**	**3**	**14**	**—**	**–101**	**—**
Changes that relate to past services						
Adjustment to the asset for incurred claims	—	—	—	—	—	—
Total changes that relate to past services	**—**	**—**	**—**	**—**	**—**	**—**
Effect of changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total changes that relate to services	**82**	**3**	**–19**	**—**	**–143**	**–78**
Insurance finance income and expenses from reinsurance contracts held	–34	—	11	—	7	–16
Effect of movements in exchange rates	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**48**	**3**	**–9**	**—**	**–137**	**–94**
Cash flows						
Premiums paid	450	—	—	—	—	450
Payments received for incurred claims and other insurance service expenses	–407	—	—	—	—	–407
Insurance acquisition cash flows	—	—	—	—	—	—
Other cash flows	—	—	—	—	—	—
Total cash flows	**43**	**—**	**—**	**—**	**—**	**43**
Net closing balance	**–410**	**6**	**230**	**—**	**151**	**–24**
Carrying amount of assets at the end of the reporting period	–103	2	131	—	8	38
Carrying amount of liabilities at the end of the reporting period	–308	3	99	—	143	–62

1

Property/Casualty Reinsurance

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

	Asset for remaining coverage – ceded		Asset for incurred claims – ceded			
				Contracts measured under the PAA		
EUR million	Excluding loss-recovery component	Loss-recovery component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2024						
Carrying amount of assets at the start of the reporting period	–555	—	1,890	—	—	1,335
Carrying amount of liabilities at the start of the reporting period	–996	—	579	—	—	–417
Net opening balance	**–1,551**	**—**	**2,469**	**—**	**—**	**918**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
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	–2,778	—	—	—	—	–2,778
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts payable to reinsurers	**–2,778**	**—**	**—**	**—**	**—**	**–2,778**
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	—	—	1,154	—	—	1,154
Amortisation of insurance acquisition cash flows	33	—	—	—	—	33
Recoveries and reversals of recoveries of losses on onerous underlying contracts	—	—	—	—	—	—
Adjustments to assets for incurred claims	—	—	–44	—	—	–44
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts recoverable from reinsurers	**33**	**—**	**1,110**	**—**	**—**	**1,143**
Investment components	–12	—	12	—	—	—
Net income or expense from reinsurance contracts held	**–2,758**	**—**	**1,122**	**—**	**—**	**–1,636**
Insurance finance income and expenses from reinsurance contracts held	–39	—	64	—	—	25
Effect of movements in exchange rates	–87	—	122	—	—	35
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–2,884**	**—**	**1,308**	**—**	**—**	**–1,575**
Cash flows						
Premiums paid	2,512	—	—	—	—	2,512
Payments received for incurred claims and other insurance service expenses	—	—	–1,027	—	—	–1,027
Insurance acquisition cash flows	5	—	—	—	—	5
Other cash flows	—	—	—	—	—	—
Total cash flows	**2,517**	**—**	**–1,027**	**—**	**—**	**1,490**
Net closing balance	**–1,918**	**—**	**2,751**	**—**	**—**	**833**
Carrying amount of assets at the end of the reporting period	–805	—	2,086	—	—	1,281
Carrying amount of liabilities at the end of the reporting period	–1,113	—	665	—	—	–448

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

EUR million	Asset for remaining coverage – ceded: Excluding loss-recovery component	Asset for remaining coverage – ceded: Loss-recovery component	Asset for incurred claims – ceded: Contracts not measured under the PAA	Asset for incurred claims – ceded: Contracts measured under the PAA: Estimates of present value of future cash flows	Asset for incurred claims – ceded: Contracts measured under the PAA: Risk adjustment for non-financial risk	Total
2023						
Carrying amount of assets at the start of the reporting period	–101	—	2,270	—	—	2,169
Carrying amount of liabilities at the start of the reporting period	–695	—	474	—	—	–221
Net opening balance	**–796**	**—**	**2,744**	**—**	**—**	**1,948**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
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	–2,626	—	—	—	—	–2,626
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts payable to reinsurers	**–2,626**	**—**	**—**	**—**	**—**	**–2,626**
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	—	—	833	—	—	833
Amortisation of insurance acquisition cash flows	4	—	—	—	—	4
Recoveries and reversals of recoveries of losses on onerous underlying contracts	—	—	—	—	—	—
Adjustments to assets for incurred claims	—	—	–97	—	—	–97
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts recoverable from reinsurers	**3**	**—**	**737**	**—**	**—**	**739**
Investment components	–11	—	11	—	—	—
Net income or expense from reinsurance contracts held	**–2,635**	**—**	**748**	**—**	**—**	**–1,887**
Insurance finance income and expenses from reinsurance contracts held	16	—	104	—	—	120
Effect of movements in exchange rates	30	—	–59	—	—	–29
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–2,589**	**—**	**794**	**—**	**—**	**–1,795**
Cash flows						
Premiums paid	1,830	—	—	—	—	1,830
Payments received for incurred claims and other insurance service expenses	—	—	–1,068	—	—	–1,068
Insurance acquisition cash flows	4	—	—	—	—	4
Other cash flows	—	—	—	—	—	—
Total cash flows	**1,834**	**—**	**–1,068**	**—**	**—**	**766**
Net closing balance	**–1,551**	**—**	**2,469**	**—**	**—**	**918**
Carrying amount of assets at the end of the reporting period	–555	—	1,890	—	—	1,335
Carrying amount of liabilities at the end of the reporting period	–996	—	579	—	—	–417

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: Contracts measured under the modified retrospective approach	Contractual service margin: Contracts measured under the fair value approach	Contractual service margin: Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	Total
2024						
Carrying amount of assets at the start of the reporting period	1,223	61	–179	2	229	1,335
Carrying amount of liabilities at the start of the reporting period	–442	4	—	—	20	–417
Net opening balance	**781**	**65**	**–179**	**2**	**249**	**918**
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	—	—	–2	1	–943	–944
Changes in risk adjustment for non-financial risk for the risk expired	—	–24	—	—	—	–24
Experience adjustments	–623	—	—	—	—	–623
Total changes that relate to current services	**–623**	**–24**	**–2**	**1**	**–943**	**–1,592**
Changes that relate to future services						
Contracts initially recognised in the period	–1,285	31	—	—	1,254	—
Changes in estimates that adjust the CSM	–93	8	5	–2	82	—
Changes in estimates that relate to losses and reversals of losses on underlying onerous contracts	—	—	—	—	—	—
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	—	—	—	—	—	—
Total changes that relate to future services	**–1,378**	**39**	**5**	**–2**	**1,336**	**—**
Changes that relate to past services						
Adjustment to the asset for incurred claims	–10	–34	—	—	—	–44
Total changes that relate to past services	**–10**	**–34**	**—**	**—**	**—**	**–44**
Effect of changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total changes that relate to services	**–2,012**	**–20**	**2**	**—**	**393**	**–1,636**
Insurance finance income and expenses from reinsurance contracts held	–2	—	—	—	27	25
Effect of movements in exchange rates	17	2	–10	—	26	35
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–1,997**	**–18**	**–8**	**—**	**447**	**–1,575**
Cash flows						
Premiums paid	2,512	—	—	—	—	2,512
Payments received for incurred claims and other insurance service expenses	–1,027	—	—	—	—	–1,027
Insurance acquisition cash flows	5	—	—	—	—	5
Other cash flows	—	—	—	—	—	—
Total cash flows	**1,490**	**—**	**—**	**—**	**—**	**1,490**
Net closing balance	**274**	**47**	**–187**	**2**	**697**	**833**
Carrying amount of assets at the end of the reporting period	932	39	–187	2	496	1,281
Carrying amount of liabilities at the end of the reporting period	–658	9	—	—	200	–448

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

			Contractual service margin			
EUR million	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	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	Total
2023						
Carrying amount of assets at the start of the reporting period	2,101	33	–4	3	36	2,169
Carrying amount of liabilities at the start of the reporting period	–227	7	—	—	–1	–221
Net opening balance	**1,874**	**40**	**–4**	**3**	**35**	**1,948**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Changes that relate to current services						
CSM recognised for services provided	—	—	–180	–1	–709	–891
Changes in risk adjustment for non-financial risk	—	3	—	—	—	3
Experience adjustments	–901	—	—	—	—	–901
Total changes that relate to current services	**–901**	**3**	**–180**	**–1**	**–709**	**–1,789**
Changes that relate to future services						
Contracts initially recognised in the period	–1,022	66	—	—	956	—
Changes in estimates that adjust the CSM	25	12	—	1	–39	–1
Changes in estimates that relate to losses and reversals of losses on underlying onerous contracts	—	—	—	—	—	—
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	—	—	—	—	—	—
Total changes that relate to future services	**–997**	**78**	**—**	**1**	**917**	**–1**
Changes that relate to past services						
Adjustment to the asset for incurred claims	–43	–54	—	—	—	–97
Total changes that relate to past services	**–43**	**–54**	**—**	**—**	**—**	**–97**
Effect of changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total changes that relate to services	**–1,941**	**27**	**–180**	**—**	**207**	**–1,887**
Insurance finance income and expenses from reinsurance contracts held	109	—	—	—	12	120
Effect of movements in exchange rates	–26	–2	4	—	–5	–29
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–1,859**	**25**	**–176**	**—**	**214**	**–1,795**
Cash flows						
Premiums paid	1,830	—	—	—	—	1,830
Payments received for incurred claims and other insurance service expenses	–1,068	—	—	—	—	–1,068
Insurance acquisition cash flows	4	—	—	—	—	4
Other cash flows	—	—	—	—	—	—
Total cash flows	**766**	**—**	**—**	**—**	**—**	**766**
Net closing balance	**781**	**65**	**–179**	**2**	**249**	**918**
Carrying amount of assets at the end of the reporting period	1,223	61	–179	2	229	1,335
Carrying amount of liabilities at the end of the reporting period	–442	4	—	—	20	–417

Life/Health Reinsurance

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

	Asset for remaining coverage – ceded		Asset for incurred claims – ceded			
				Contracts measured under the PAA		
EUR million	Excluding loss-recovery component	Loss-recovery component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2024						
Carrying amount of assets at the start of the reporting period	–150	—	341	—	—	191
Carrying amount of liabilities at the start of the reporting period	–717	—	436	—	—	–282
Net opening balance	**–868**	**—**	**777**	**—**	**—**	**–91**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
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	–566	1	—	—	—	–565
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts payable to reinsurers	**–566**	**1**	**—**	**—**	**—**	**–565**
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	—	–1	544	—	—	544
Amortisation of insurance acquisition cash flows	—	—	—	—	—	—
Recoveries and reversals of recoveries of losses on onerous underlying contracts	–5	—	—	—	—	–5
Adjustments to assets for incurred claims	—	—	–4	—	—	–4
Changes in the non-performance risk of reinsurers	—	—	4	—	—	4
Total amounts recoverable from reinsurers	**–5**	**–1**	**544**	**—**	**—**	**539**
Investment components	–412	—	412	—	—	—
Net income or expense from reinsurance contracts held	**–983**	**—**	**956**	**—**	**—**	**–27**
Insurance finance income and expenses from reinsurance contracts held	63	—	1	—	—	64
Effect of movements in exchange rates	–27	—	30	—	—	3
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–947**	**—**	**987**	**—**	**—**	**39**
Cash flows						
Premiums paid	1,024	—	—	—	—	1,024
Payments received for incurred claims and other insurance service expenses	—	—	–960	—	—	–960
Insurance acquisition cash flows	—	—	—	—	—	—
Other cash flows	—	—	—	—	—	—
Total cash flows	**1,024**	**—**	**–960**	**—**	**—**	**64**
Net closing balance	**–791**	**—**	**804**	**—**	**—**	**12**
Carrying amount of assets at the end of the reporting period	–260	—	480	—	—	220
Carrying amount of liabilities at the end of the reporting period	–531	—	324	—	—	–208

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

	Asset for remaining coverage – ceded		Asset for incurred claims – ceded			
				Contracts measured under the PAA		
EUR million	Excluding loss-recovery component	Loss-recovery component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2023						
Carrying amount of assets at the start of the reporting period	289	—	132	—	—	421
Carrying amount of liabilities at the start of the reporting period	–853	—	518	—	—	–336
Net opening balance	**–564**	**—**	**650**	**—**	**—**	**85**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
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	–684	1	—	—	—	–683
Changes in the non-performance risk of reinsurers	–57	—	—	—	—	–57
Total amounts payable to reinsurers	**–741**	**1**	**—**	**—**	**—**	**–741**
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	—	–1	611	—	—	611
Amortisation of insurance acquisition cash flows	—	—	—	—	—	—
Recoveries and reversals of recoveries of losses on onerous underlying contracts	7	—	—	—	—	7
Adjustments to assets for incurred claims	—	—	18	—	—	18
Changes in the non-performance risk of reinsurers	—	—	–3	—	—	–3
Total amounts recoverable from reinsurers	**7**	**–1**	**625**	**—**	**—**	**632**
Investment components	–421	—	421	—	—	—
Net income or expense from reinsurance contracts held	**–1,156**	**—**	**1,047**	**—**	**—**	**–109**
Insurance finance income and expenses from reinsurance contracts held	6	—	1	—	—	7
Effect of movements in exchange rates	–2	—	–4	—	—	–7
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–1,152**	**—**	**1,043**	**—**	**—**	**–109**
Cash flows						
Premiums paid	849	—	—	—	—	849
Payments received for incurred claims and other insurance service expenses	—	—	–916	—	—	–916
Insurance acquisition cash flows	—	—	—	—	—	—
Other cash flows	—	—	—	—	—	—
Total cash flows	**849**	**—**	**–916**	**—**	**—**	**–67**
Net closing balance	**–868**	**—**	**777**	**—**	**—**	**–91**
Carrying amount of assets at the end of the reporting period	–150	—	341	—	—	191
Carrying amount of liabilities at the end of the reporting period	–717	—	436	—	—	–282

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

			Contractual service margin			
EUR million	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	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	Total
2024						
Carrying amount of assets at the start of the reporting period	–179	80	232	44	13	191
Carrying amount of liabilities at the start of the reporting period	–325	62	6	–30	5	–282
Net opening balance	**–504**	**142**	**238**	**15**	**18**	**–91**
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	—	—	–5	–5	–15	–25
Changes in risk adjustment for non-financial risk for the risk expired	—	–15	—	—	—	–15
Experience adjustments	18	—	—	—	—	18
Total changes that relate to current services	**18**	**–15**	**–5**	**–5**	**–15**	**–22**
Changes that relate to future services						
Contracts initially recognised in the period	–7	—	—	—	6	—
Changes in estimates that adjust the CSM	–27	–4	6	16	9	—
Changes in estimates that relate to losses and reversals of losses on underlying onerous contracts	–7	3	—	—	—	–5
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	—	—	—	—	—	—
Total changes that relate to future services	**–41**	**–1**	**6**	**16**	**16**	**–5**
Changes that relate to past services						
Adjustment to the asset for incurred claims	–4	—	—	—	—	–4
Total changes that relate to past services	**–4**	**—**	**—**	**—**	**—**	**–4**
Effect of changes in the non-performance risk of reinsurers	4	—	—	—	—	4
Total changes that relate to services	**–23**	**–16**	**1**	**11**	**—**	**–27**
Insurance finance income and expenses from reinsurance contracts held	51	3	9	1	1	64
Effect of movements in exchange rates	–16	5	11	1	1	3
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**12**	**–8**	**21**	**12**	**2**	**39**
Cash flows						
Premiums paid	1,024	—	—	—	—	1,024
Payments received for incurred claims and other insurance service expenses	–960	—	—	—	—	–960
Insurance acquisition cash flows	—	—	—	—	—	—
Other cash flows	—	—	—	—	—	—
Total cash flows	**64**	**—**	**—**	**—**	**—**	**64**
Net closing balance	**–428**	**134**	**259**	**27**	**20**	**12**
Carrying amount of assets at the end of the reporting period	–193	86	262	46	19	220
Carrying amount of liabilities at the end of the reporting period	–235	48	–3	–18	1	–208

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: Contracts measured under the modified retrospective approach	Contractual service margin: Contracts measured under the fair value approach	Contractual service margin: Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	Total
2023						
Carrying amount of assets at the start of the reporting period	375	31	—	15	—	421
Carrying amount of liabilities at the start of the reporting period	–628	120	163	55	–46	–336
Net opening balance	**–253**	**151**	**163**	**70**	**–46**	**85**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Changes that relate to current services						
CSM recognised for services provided	—	—	–24	4	–11	–32
Changes in risk adjustment for non-financial risk	—	–23	—	—	—	–23
Experience adjustments	–17	—	—	—	—	–17
Total changes that relate to current services	**–17**	**–23**	**–24**	**4**	**–11**	**–73**
Changes that relate to future services						
Contracts initially recognised in the period	–8	—	—	—	7	—
Changes in estimates that adjust the CSM	–113	7	96	–60	70	—
Changes in estimates that relate to losses and reversals of losses on underlying onerous contracts	7	–1	—	—	—	7
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	1	—	—	—	–1	—
Total changes that relate to future services	**–112**	**7**	**96**	**–60**	**77**	**7**
Changes that relate to past services						
Adjustment to the asset for incurred claims	18	—	—	—	—	18
Total changes that relate to past services	**18**	**—**	**—**	**—**	**—**	**18**
Effect of changes in the non-performance risk of reinsurers	–61	—	—	—	—	–61
Total changes that relate to services	**–173**	**–17**	**71**	**–56**	**65**	**–109**
Insurance finance income and expenses from reinsurance contracts held	–8	9	5	1	—	7
Effect of movements in exchange rates	–3	–2	–1	—	–1	–7
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–184**	**–9**	**75**	**–55**	**64**	**–109**
Cash flows						
Premiums paid	849	—	—	—	—	849
Payments received for incurred claims and other insurance service expenses	–916	—	—	—	—	–916
Insurance acquisition cash flows	—	—	—	—	—	—
Other cash flows	—	—	—	—	—	—
Total cash flows	**–67**	**—**	**—**	**—**	**—**	**–67**
Net closing balance	**–504**	**142**	**238**	**15**	**18**	**–91**
Carrying amount of assets at the end of the reporting period	–179	80	232	44	13	191
Carrying amount of liabilities at the end of the reporting period	–325	62	6	–30	5	–282

Group Operations

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

EUR million	Asset for remaining coverage – ceded: Excluding loss-recovery component	Asset for remaining coverage – ceded: Loss-recovery component	Asset for incurred claims – ceded: Contracts not measured under the PAA	Asset for incurred claims – ceded: Contracts measured under the PAA: Estimates of present value of future cash flows	Asset for incurred claims – ceded: Contracts measured under the PAA: Risk adjustment for non-financial risk	Total
2024						
Carrying amount of assets at the start of the reporting period	–61	—	2,004	—	—	1,942
Carrying amount of liabilities at the start of the reporting period	—	—	—	—	—	—
Net opening balance	**–61**	**—**	**2,004**	**—**	**—**	**1,942**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
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	–932	66	—	—	—	–866
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts payable to reinsurers	**–932**	**66**	**—**	**—**	**—**	**–866**
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	—	–66	596	—	—	531
Amortisation of insurance acquisition cash flows	—	—	—	—	—	—
Recoveries and reversals of recoveries of losses on onerous underlying contracts	78	—	—	—	—	78
Adjustments to assets for incurred claims	—	—	–49	—	—	–49
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts recoverable from reinsurers	**78**	**–66**	**548**	**—**	**—**	**560**
Investment components	–5	—	5	—	—	—
Net income or expense from reinsurance contracts held	**–860**	**—**	**553**	**—**	**—**	**–306**
Insurance finance income and expenses from reinsurance contracts held	–9	—	57	—	—	48
Effect of movements in exchange rates	–3	—	8	—	—	5
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–872**	**—**	**618**	**—**	**—**	**–253**
Cash flows						
Premiums paid	895	—	—	—	—	895
Payments received for incurred claims and other insurance service expenses	—	—	–422	—	—	–422
Insurance acquisition cash flows	—	—	—	—	—	—
Other cash flows	—	—	—	—	—	—
Total cash flows	**895**	**—**	**–422**	**—**	**—**	**473**
Net closing balance	**–38**	**—**	**2,200**	**—**	**—**	**2,162**
Carrying amount of assets at the end of the reporting period	–38	—	2,200	—	—	2,162
Carrying amount of liabilities at the end of the reporting period	—	—	—	—	—	—

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

	Asset for remaining coverage – ceded		Asset for incurred claims – ceded			
				Contracts measured under the PAA		
EUR million	Excluding loss-recovery component	Loss-recovery component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2023						
Carrying amount of assets at the start of the reporting period	–64	—	1,682	—	—	1,618
Carrying amount of liabilities at the start of the reporting period	—	—	—	—	—	—
Net opening balance	**–64**	**—**	**1,682**	**—**	**—**	**1,618**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
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	–786	21	—	—	—	–765
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts payable to reinsurers	**–786**	**21**	**—**	**—**	**—**	**–765**
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	—	–21	681	—	—	660
Amortisation of insurance acquisition cash flows	—	—	—	—	—	—
Recoveries and reversals of recoveries of losses on onerous underlying contracts	31	—	—	—	—	31
Adjustments to assets for incurred claims	—	—	37	—	—	37
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts recoverable from reinsurers	**31**	**–21**	**718**	**—**	**—**	**728**
Investment components	–4	—	4	—	—	—
Net income or expense from reinsurance contracts held	**–760**	**—**	**722**	**—**	**—**	**–37**
Insurance finance income and expenses from reinsurance contracts held	–3	—	22	—	—	19
Effect of movements in exchange rates	–1	—	–4	—	—	–5
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–763**	**—**	**740**	**—**	**—**	**–23**
Cash flows						
Premiums paid	766	—	—	—	—	766
Payments received for incurred claims and other insurance service expenses	—	—	–419	—	—	–419
Insurance acquisition cash flows	—	—	—	—	—	—
Other cash flows	—	—	—	—	—	—
Total cash flows	**766**	**—**	**–419**	**—**	**—**	**347**
Net closing balance	**–61**	**—**	**2,004**	**—**	**—**	**1,942**
Carrying amount of assets at the end of the reporting period	–61	—	2,004	—	—	1,942
Carrying amount of liabilities at the end of the reporting period	—	—	—	—	—	—

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

			Contractual service margin			
EUR million	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	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	Total
2024						
Carrying amount of assets at the start of the reporting period	1,696	196	—	—	51	1,942
Carrying amount of liabilities at the start of the reporting period	—	—	—	—	—	—
Net opening balance	**1,696**	**196**	**—**	**—**	**51**	**1,942**
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	—	—	—	—	–204	–204
Changes in risk adjustment for non-financial risk for the risk expired	—	–59	—	—	—	–59
Experience adjustments	–73	—	—	—	—	–73
Total changes that relate to current services	**–73**	**–59**	**—**	**—**	**–204**	**–336**
Changes that relate to future services						
Contracts initially recognised in the period	–181	42	—	—	140	—
Changes in estimates that adjust the CSM	–64	—	—	—	64	—
Changes in estimates that relate to losses and reversals of losses on underlying onerous contracts	42	—	—	—	—	42
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–7	36	—	—	6	35
Total changes that relate to future services	**–210**	**78**	**—**	**—**	**210**	**78**
Changes that relate to past services						
Adjustment to the asset for incurred claims	–49	—	—	—	—	–49
Total changes that relate to past services	**–49**	**—**	**—**	**—**	**—**	**–49**
Effect of changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total changes that relate to services	**–331**	**19**	**—**	**—**	**6**	**–306**
Insurance finance income and expenses from reinsurance contracts held	45	—	—	—	3	48
Effect of movements in exchange rates	5	—	—	—	—	5
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–281**	**19**	**—**	**—**	**9**	**–253**
Cash flows						
Premiums paid	895	—	—	—	—	895
Payments received for incurred claims and other insurance service expenses	–422	—	—	—	—	–422
Insurance acquisition cash flows	—	—	—	—	—	—
Other cash flows	—	—	—	—	—	—
Total cash flows	**473**	**—**	**—**	**—**	**—**	**473**
Net closing balance	**1,888**	**215**	**—**	**—**	**59**	**2,162**
Carrying amount of assets at the end of the reporting period	1,888	215	—	—	59	2,162
Carrying amount of liabilities at the end of the reporting period	—	—	—	—	—	—

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

			Contractual service margin			
EUR million	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	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	Total
2023						
Carrying amount of assets at the start of the reporting period	1,471	161	—	—	–14	1,618
Carrying amount of liabilities at the start of the reporting period	—	—	—	—	—	—
Net opening balance	**1,471**	**161**	**—**	**—**	**–14**	**1,618**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Changes that relate to current services						
CSM recognised for services provided	—	—	—	—	–158	–158
Changes in risk adjustment for non-financial risk	—	–37	—	—	—	–37
Experience adjustments	90	—	—	—	—	90
Total changes that relate to current services	**90**	**–37**	**—**	**—**	**–158**	**–105**
Changes that relate to future services						
Contracts initially recognised in the period	–154	55	—	—	98	—
Changes in estimates that adjust the CSM	–120	—	—	—	120	—
Changes in estimates that relate to losses and reversals of losses on underlying onerous contracts	15	—	—	—	—	15
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–4	17	—	—	2	16
Total changes that relate to future services	**–263**	**73**	**—**	**—**	**221**	**31**
Changes that relate to past services						
Adjustment to the asset for incurred claims	37	—	—	—	—	37
Total changes that relate to past services	**37**	**—**	**—**	**—**	**—**	**37**
Effect of changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total changes that relate to services	**–136**	**36**	**—**	**—**	**63**	**–37**
Insurance finance income and expenses from reinsurance contracts held	17	—	—	—	2	19
Effect of movements in exchange rates	–4	–1	—	—	—	–5
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–123**	**35**	**—**	**—**	**64**	**–23**
Cash flows						
Premiums paid	766	—	—	—	—	766
Payments received for incurred claims and other insurance service expenses	–419	—	—	—	—	–419
Insurance acquisition cash flows	—	—	—	—	—	—
Other cash flows	—	—	—	—	—	—
Total cash flows	**347**	**—**	**—**	**—**	**—**	**347**
Net closing balance	**1,696**	**196**	**—**	**—**	**51**	**1,942**
Carrying amount of assets at the end of the reporting period	1,696	196	—	—	51	1,942
Carrying amount of liabilities at the end of the reporting period	—	—	—	—	—	—

Talanx Group

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

EUR million	Asset for remaining coverage – ceded: Excluding loss-recovery component	Asset for remaining coverage – ceded: Loss-recovery component	Asset for incurred claims – ceded: Contracts not measured under the PAA	Asset for incurred claims – ceded: Contracts measured under the PAA: Estimates of present value of future cash flows	Asset for incurred claims – ceded: Contracts measured under the PAA: Risk adjustment for non-financial risk	Total
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	67	64	—	–9	—	121
Disposal groups in accordance with IFRS 5	—	—	—	2	—	2
Other changes	–1	—	—	—	—	–1
Changes in the statement of income and other comprehensive income						
Amounts payable to reinsurers						
Allocation of reinsurance premiums paid	–7,103	58	—	—	—	–7,045
Changes in the non-performance risk of reinsurers	—	—	—	—	—	—
Total amounts payable to reinsurers	**–7,103**	**58**	**—**	**—**	**—**	**–7,045**
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	—	–200	2,618	1,345	9	3,772
Amortisation of insurance acquisition cash flows	48	—	—	—	—	48
Recoveries and reversals of recoveries of losses on onerous underlying contracts	63	118	—	—	—	181
Adjustments to assets for incurred claims	—	—	–73	80	–16	–9
Changes in the non-performance risk of reinsurers	—	—	5	–3	—	1
Total amounts recoverable from reinsurers	**110**	**–81**	**2,549**	**1,422**	**–7**	**3,993**
Investment components	–406	—	406	—	—	—
Net income or expense from reinsurance contracts held	**–7,398**	**–24**	**2,955**	**1,422**	**–7**	**–3,052**
Insurance finance income and expenses from reinsurance contracts held	18	1	117	127	1	264
Effect of movements in exchange rates	–111	–1	160	4	1	52
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–7,491**	**–23**	**3,231**	**1,552**	**–5**	**–2,736**
Cash flows						
Premiums paid	7,129	—	—	—	—	7,129
Payments received for incurred claims and other insurance service expenses	—	—	–2,591	–1,344	—	–3,935
Insurance acquisition cash flows	88	—	—	—	—	88
Other cash flows	2	—	—	—	—	2
Total cash flows	**7,219**	**—**	**–2,591**	**–1,344**	**—**	**3,284**
Net closing balance	**–2,674**	**53**	**5,529**	**3,953**	**147**	**7,008**
Carrying amount of assets at the end of the reporting period	–1,001	53	4,580	3,943	146	7,721
Carrying amount of liabilities at the end of the reporting period	–1,673	—	949	10	—	–714

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

	Asset for remaining coverage – ceded		Asset for incurred claims – ceded			
				Contracts measured under the PAA		
EUR million	Excluding loss-recovery component	Loss-recovery component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2023						
Carrying amount of assets at the start of the reporting period	34	24	3,764	3,519	150	7,492
Carrying amount of liabilities at the start of the reporting period	–1,517	—	946	6	—	–564
Net opening balance	**–1,483**	**24**	**4,711**	**3,525**	**150**	**6,927**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	69	—	—	2	—	71
Disposal groups in accordance with IFRS 5	—	—	—	9	—	9
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Amounts payable to reinsurers						
Allocation of reinsurance premiums paid	–6,646	20	—	—	—	–6,626
Changes in the non-performance risk of reinsurers	–57	—	—	—	—	–57
Total amounts payable to reinsurers	**–6,703**	**20**	**—**	**—**	**—**	**–6,683**
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other insurance service expenses	—	–27	2,422	1,346	20	3,761
Amortisation of insurance acquisition cash flows	16	—	—	—	—	16
Recoveries and reversals of recoveries of losses on onerous underlying contracts	36	–5	—	—	—	30
Adjustments to assets for incurred claims	—	—	–68	17	–12	–63
Changes in the non-performance risk of reinsurers	—	—	–3	–2	—	–5
Total amounts recoverable from reinsurers	**51**	**–33**	**2,351**	**1,360**	**8**	**3,737**
Investment components	–405	—	405	—	—	—
Net income or expense from reinsurance contracts held	**–7,058**	**–12**	**2,756**	**1,362**	**8**	**–2,945**
Insurance finance income and expenses from reinsurance contracts held	14	1	124	130	—	269
Effect of movements in exchange rates	67	—	–65	–140	–6	–144
Other changes	8	—	1	–9	—	—
Total changes in the statement of income and other comprehensive income	**–6,970**	**–12**	**2,816**	**1,343**	**1**	**–2,821**
Cash flows						
Premiums paid	5,640	—	—	—	—	5,640
Payments received for incurred claims and other insurance service expenses	—	—	–2,638	–1,127	—	–3,765
Insurance acquisition cash flows	274	—	—	—	—	274
Other cash flows	2	—	—	—	—	2
Total cash flows	**5,916**	**—**	**–2,638**	**–1,127**	**—**	**2,151**
Net closing balance	**–2,468**	**12**	**4,889**	**3,752**	**152**	**6,337**
Carrying amount of assets at the end of the reporting period	–738	12	3,923	3,726	151	7,074
Carrying amount of liabilities at the end of the reporting period	–1,730	—	966	26	1	–737

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

			Contractual service margin			
EUR million	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	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	Total
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	—	—	–16	–5	–1,255	–1,276
Changes in risk adjustment for non-financial risk for the risk expired	—	–100	—	—	—	–100
Experience adjustments	–654	—	—	—	—	–654
Total changes that relate to current services	**–654**	**–100**	**–16**	**–5**	**–1,255**	**–2,029**
Changes that relate to future services						
Contracts initially recognised in the period	–1,509	77	—	—	1,432	—
Changes in estimates that adjust the CSM	–266	1	11	17	236	—
Changes in estimates that relate to losses and reversals of losses on underlying onerous contracts	33	3	—	—	—	36
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–31	42	—	—	16	27
Total changes that relate to future services	**–1,773**	**123**	**11**	**17**	**1,684**	**63**
Changes that relate to past services						
Adjustment to the asset for incurred claims	–39	–34	—	—	—	–73
Total changes that relate to past services	**–39**	**–34**	**—**	**—**	**—**	**–73**
Effect of changes in the non-performance risk of reinsurers	5	—	—	—	—	5
Total changes that relate to services	**–2,461**	**–11**	**–5**	**13**	**429**	**–2,035**
Insurance finance income and expenses from reinsurance contracts held	78	3	13	1	38	132
Effect of movements in exchange rates	1	5	1	1	23	31
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–2,383**	**–3**	**9**	**14**	**490**	**–1,872**
Cash flows						
Premiums paid	4,769	—	—	—	—	4,769
Payments received for incurred claims and other insurance service expenses	–2,591	—	—	—	—	–2,591
Insurance acquisition cash flows	4	—	—	—	—	4
Other cash flows	1	—	—	—	—	1
Total cash flows	**2,183**	**—**	**—**	**—**	**—**	**2,183**
Net closing balance	**1,227**	**396**	**197**	**38**	**981**	**2,839**
Carrying amount of assets at the end of the reporting period	2,350	337	189	57	628	3,562
Carrying amount of liabilities at the end of the reporting period	–1,124	59	8	–18	353	–722

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

			Contractual service margin			
EUR million	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	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	Total
2023						
Carrying amount of assets at the start of the reporting period	3,247	201	129	26	317	3,920
Carrying amount of liabilities at the start of the reporting period	–848	127	164	55	–46	–549
Net opening balance	**2,399**	**328**	**293**	**81**	**270**	**3,371**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	39	11	—	—	18	68
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Changes that relate to current services						
CSM recognised for services provided	—	—	–210	2	–918	–1,126
Changes in risk adjustment for non-financial risk	—	–67	—	—	—	–67
Experience adjustments	–858	—	—	—	—	–858
Total changes that relate to current services	**–858**	**–67**	**–210**	**2**	**–918**	**–2,050**
Changes that relate to future services						
Contracts initially recognised in the period	–1,236	124	—	—	1,112	—
Changes in estimates that adjust the CSM	–40	23	91	–59	–15	–1
Changes in estimates that relate to losses and reversals of losses on underlying onerous contracts	20	–1	—	—	—	20
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	–21	28	—	—	9	16
Total changes that relate to future services	**–1,276**	**173**	**91**	**–59**	**1,106**	**35**
Changes that relate to past services						
Adjustment to the asset for incurred claims	–14	–54	—	—	—	–68
Total changes that relate to past services	**–14**	**–54**	**—**	**—**	**—**	**–68**
Effect of changes in the non-performance risk of reinsurers	–61	—	—	—	—	–61
Total changes that relate to services	**–2,209**	**53**	**–119**	**–57**	**188**	**–2,144**
Insurance finance income and expenses from reinsurance contracts held	93	9	10	1	21	135
Effect of movements in exchange rates	–32	–3	4	—	–6	–38
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–2,147**	**60**	**–105**	**–56**	**202**	**–2,047**
Cash flows						
Premiums paid	3,770	—	—	—	—	3,770
Payments received for incurred claims and other insurance service expenses	–2,638	—	—	—	—	–2,638
Insurance acquisition cash flows	4	—	—	—	—	4
Other cash flows	1	—	—	—	—	1
Total cash flows	**1,136**	**—**	**—**	**—**	**—**	**1,136**
Net closing balance	**1,427**	**399**	**188**	**24**	**491**	**2,529**
Carrying amount of assets at the end of the reporting period	2,382	330	169	53	322	3,256
Carrying amount of liabilities at the end of the reporting period	–955	69	19	–29	169	–727

New business analysis – contracts not measured under the PAA

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

	Corporate & Specialty		Retail International	
EUR million	Contracts initiated without loss-recovery component	Contracts initiated with loss-recovery component	Contracts initiated without loss-recovery component	Contracts initiated with loss-recovery component
2024				
Estimates of present value of future cash inflows	—	—	72	29
Estimates of present value of future cash outflows	—	—	–129	–54
of which: insurance acquisition cash flows	—	—	1	—
Risk adjustment for non-financial risk	—	—	14	11
Income recognised on initial recognition	—	—	—	—
Contractual service margin	**—**	**—**	**42**	**14**
2023				
Estimates of present value of future cash inflows	—	—	50	20
Estimates of present value of future cash outflows	—	—	–79	–38
of which: insurance acquisition cash flows	—	—	—	—
Risk adjustment for non-financial risk	—	—	8	11
Income recognised on initial recognition	—	—	—	1
Contractual service margin	**—**	**—**	**21**	**8**

[1] The two segments Retail Germany – Property/Casualty and Retail Germany – Life were combined into a single Retail Germany segment for the purpose of standardised control based on the resolution of the Board of Management dated 7 October 2024.

There were no cash inflows or outflows from business combinations arising from new business in the reporting period. In the previous year, new business resulted in cash inflows of EUR 93 million and cash outflows of EUR 56 million (Retail International segment). The risk adjustment for non-financial risks amounted to EUR 11 million, the contractual service margin to EUR 20 million. The presentation of reinsurance contracts held as part of a business combination accounts only for the cash flows expected after the date of initial consolidation at the time of initial consolidation. Cash flows from the purchase price included in the calculation of the acquired contractual service margin are not shown here.

Contractual service margin

CONTRACTUAL SERVICE MARGIN DURATIONS – CEDED CONTRACTS

	Corporate & Specialty		Retail International	
EUR million	**31.12.2024**	31.12.2023	**31.12.2024**	31.12.2023
Expected recognition within 1 year	—	—	51	35
More than 1 year but less than 2 years	—	—	3	8
More than 2 years but less than 3 years	—	—	2	4
More than 3 years but less than 4 years	—	—	1	2
More than 4 years but less than 5 years	—	—	1	1
More than 5 years but less than 10 years	—	—	2	2
More than 10 years	—	—	1	1
Time value of money	—	—	2	2
Total	**—**	**—**	**62**	**55**

[1] The two segments Retail Germany – Property/Casualty and Retail Germany – Life were combined into a single Retail Germany segment for the purpose of standardised control based on the resolution of the Board of Management dated 7 October 2024.

Retail Germany[1]		Property/Casualty Reinsurance		Life/Health Reinsurance		Group Operations		Consolidation		Total	
Contracts initiated without loss-recovery component	Contracts initiated with loss-recovery component	Contracts initiated without loss-recovery component	Contracts initiated with loss-recovery component	Contracts initiated without loss-recovery component	Contracts initiated with loss-recovery component	Contracts initiated without loss-recovery component	Contracts initiated with loss-recovery component	Contracts initiated without loss-recovery component	Contracts initiated with loss-recovery component	Contracts initiated without loss-recovery component	Contracts initiated with loss-recovery component
—	—	1,592	—	348	—	456	266	−70	−21	2,397	274
−34	—	−2,877	—	−354	—	−637	−273	125	22	−3,906	−305
—	—	16	—	—	—	—	—	—	—	17	—
1	—	31	—	—	—	42	36	−11	−6	77	42
—	—	—	—	—	—	—	35	—	−9	—	27
33	**—**	**1,254**	**—**	**6**	**—**	**140**	**6**	**−44**	**−4**	**1,432**	**16**
—	—	1,321	—	368	1	493	60	−52	−2	2,179	80
−55	—	−2,343	—	−375	—	−646	−64	84	2	−3,415	−100
—	—	—	—	—	—	—	—	—	—	—	—
2	—	66	—	—	—	55	17	−8	−1	124	28
—	—	—	—	—	—	—	16	—	−1	—	16
53	**—**	**956**	**—**	**7**	**−1**	**98**	**2**	**−24**	**—**	**1,112**	**9**

Retail Germany[1]		Property/Casualty Reinsurance		Life/Health Reinsurance		Group Operations		Consolidation		Total	
31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
104	109	528	76	17	25	57	51	−30	−30	727	266
65	91	1	—	17	14	1	—	−15	−15	72	98
46	67	—	—	18	16	1	—	−13	−13	54	74
35	46	—	—	19	16	1	—	−11	−11	44	53
27	34	—	—	19	17	—	—	−9	−10	38	42
80	85	—	—	97	85	—	—	−31	−32	148	141
111	101	—	—	251	213	—	—	−45	−42	317	274
−61	−153	−16	−4	−131	−114	—	—	24	25	−183	−244
407	**381**	**512**	**72**	**307**	**271**	**59**	**51**	**−130**	**−127**	**1,217**	**703**

(5) Investment property

INVESTMENT PROPERTY

EUR million	31.12.2024	31.12.2023
Measured at amortised cost	2,889	2,804
Measured at fair value	3,277	3,426
Carrying amount as at the end of the reporting period	**6,166**	**6,230**

INVESTMENT PROPERTY MEASURED AT AMORTISED COST

EUR million	2024	2023
Gross carrying amount as at the end of the previous year	**3,310**	**2,981**
Changes in the basis of consolidation	131	—
Additions	111	419
Disposals	−52	−23
Disposal groups in accordance with IFRS 5	−48	4
Exchange rate changes	44	−71
Gross carrying amount as at the end of the reporting period	**3,495**	**3,310**
Accumulated depreciation and impairment losses at the end of the previous year	**−506**	**−375**
Disposals	16	−2
Reversal of impairment losses	3	2
Depreciation and impairment losses		
Depreciation	−66	−62
Impairment losses	−44	−79
Disposal groups in accordance with IFRS 5	7	—
Exchange rate changes	−15	10
Accumulated depreciation and impairment losses as at the end of the reporting period	**−606**	**−506**
Carrying amount as at the end of the previous period	2,804	2,606
Carrying amount as at the end of the reporting period	**2,889**	**2,804**

Additions in the reporting period relate to the Property/Casualty Reinsurance segment with EUR 79 (413) million and Retail International with EUR 32 (6) million.

Directly attributable operating expenses for properties rented out (including repairs and maintenance) totalled EUR 130 (120) million. Operating expenses of EUR 8 (7) million were incurred for properties with which no rental income is generated.

Restrictions on disposal and guarantee assets relating to investment property amounted to EUR 1,128 (1,546) million as at 31 December 2024. Contractual obligations to purchase, construct or develop investment property and for repairs, maintenance and enhancements amounted to EUR 300 (394) million as at the end of the reporting period.

(6) Shares in affiliated companies and strategic participating interests

EUR million	2024	2023
Affiliated companies	101	113
Strategic participating interests	581	992
Carrying amount as at 31.12. of the financial year	**683**	**1,105**

This balance sheet item includes equity instruments totalling EUR 591 (981) million that are measured at fair value through other comprehensive income. We chose this measurement approach because these are strategic investments. The performance of strategic investments is assessed based on their contribution to other business activities, not on their fair value. Equity instruments of EUR 86 (4) million from these investments were disposed of in the reporting period. These accounted for unrealised gains and losses of EUR 18 (0) million. There were immaterial dividends from these investments, which were derecognised in the reporting period.

(7) Shares in associates and joint ventures

This balance sheet item essentially comprises the equity-accounted shares in associates and joint ventures that are measured on the basis of the share of the equity attributable to the Group. Financial information on associates and joint arrangements is disclosed in aggregated form in each case, as most of these entities are not individually material to the Group within the meaning of IFRS 12.21.

In addition, the item includes strategic investments in associates and joint ventures totalling EUR 0 (1) million that are not measured using the equity method but are instead measured at fair value through other comprehensive income, as well as strategic investments in associates and joint ventures totalling EUR 41 (2) million that are measured at fair value through profit or loss. Please see Note 10 for information on investments in associates and joint ventures measured at fair value through profit or loss, which are used to cover liabilities from insurance contracts with discretionary surplus participation (VFA).

The Group holds 24.6% (20%) of the ordinary shares in Monument Insurance Group Limited (MIGL). The equity interest is identical to the share of voting rights held and, with one seat on the Board of Directors, constitutes significant influence over MIGL. In addition, a subsidiary of MIGL has issued non-voting, non-redeemable preference shares, in which FUNIS also held an interest until they were redeemed in January 2024. In January 2024, FUNIS acquired a disproportionate amount of newly issued ordinary shares in MIGL, increasing its stake in MIGL from 20% to 24.6%. In the context of the initial consolidation of the acquired interest, unrealised gains of EUR 26 million were realised and are being carried forward in the context of subsequent measurement. MIGL is a life insurance group that acquires and winds up primarily European run-off life insurance portfolios/companies. At-equity measurement is based on consolidated financial statements prepared by the company as at 30 September in accordance with UK GAAP, reconciled to IFRS and adjusted for any significant transactions or other events.

The joint venture Joint HR MR, held by Hannover Rück SE (approximately 41.3%) and E+S Rückversicherung AG (approximately 8.7%) together with Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft, was split by mutual agreement with effect from 1 July 2024. For detailed information on the split, please refer to the Significant additions and disposals of consolidated subsidiaries and other changes under company law section.

SHARES IN ASSOCIATES AND JOINT VENTURES[1]

EUR million	2024	2023
Carrying amount as at 31.12. of the previous year	**2,249**	**2,263**
Changes in the basis of consolidation	–1,950	—
Additions	18	14
Profit/loss from shares in associated companies and joint ventures	47	32
Dividend payments	–15	–26
Adjustment recognised outside profit or loss	32	–22
Adjustment recognised through profit or loss	4	—
Exchange rate changes	1	–12
Carrying amount as at 31.12. of the financial year	**386**	**2,249**

[1] Of this figure, MIGL accounts for income of EUR –36 (1) million, dividend payments of EUR –42 (–8) million, adjustments recognised outside of profit or loss of EUR –3 (–2) million and a carrying amount as at the reporting date of EUR 47 (82) milion.

The goodwill of all equity-accounted companies amounted to EUR 50 (50) million at the end of the reporting period. As in the prior year, there were no shares of losses incurred by associates not recognised in the financial year.

For further information on the Group's share in the capital of associates and joint ventures, please refer to the List of Shareholdings section on pages 387 ff.

There were no obligations resulting from contingent liabilities of associates and joint ventures as at the end of the reporting period.

AGGREGATED FINANCIAL INFORMATION ON SHARES IN ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD[1]

EUR million	2024	2023
Profit from continuing operations	16	69
Other comprehensive income	36	–53
Total comprehensive income	**52**	**16**

[1] Of which attributable to MIGL: profit from continuing operations of EUR –147 (5) million and other comprehensive income of EUR –10 (–9) million.

MIGL – CONDENSED BALANCE SHEET

EUR million	2024	2023
Current assets	1,521	1,268
Non-current assets	13,641	13,509
Current liabilities	174	202
Non-current liabilities	14,532	13,957
Equity as at 30.09.	457	617
Updated equity as at 31.12.	457	590
of which attributable to non-controlling interest	6	15

MIGL – CONDENSED BALANCE SHEET

EUR million	2024	2023
Updated equity as at 01.01.	590	449
Capital increase	198	233
Net income	–128	–34
Changes in ownership interest without a change in control	–11	–9
Dividends paid	9	50
Updated equity as at 31.12.	457	590
of which attributable to non-controlling interests	6	15
Group interest in capital	5.0%	14.2%
Group interest in equity	23	82
Goodwill/unrealised gains	24	—
Carrying amount of the Group's share	47	82

(8) Financial instruments measured at amortised cost

EUR million	Amortised cost 31.12.2024	Amortised cost 31.12.2023	Unrealised gains/losses 31.12.2024	Unrealised gains/losses 31.12.2023	Fair value 31.12.2024	Fair value 31.12.2023
Other foreign government debt securities	130	27	–1	–2	129	25
Corporate bonds	—	50	—	1	—	51
Mortgage loans	852	876	–111	–141	740	735
Other	1	1	—	—	1	1
Total	**982**	**954**	**–113**	**–142**	**870**	**811**

CONTRACTUAL MATURITIES

EUR million	Amortised cost 31.12.2024	Amortised cost 31.12.2023	Fair value 31.12.2024	Fair value 31.12.2023
Due within 1 year	25	50	24	51
More than 1 year but less than 2 years	77	21	78	19
More than 2 years but less than 3 years	1	2	1	2
More than 3 years but less than 4 years	25	1	24	1
More than 4 years but less than 5 years	—	3	—	3
More than 5 years but less than 10 years	2	—	3	—
No duration	852	876	740	735
Total	**982**	**954**	**870**	**811**

RATING STRUCTURE FOR FINANCIAL INSTRUMENTS MEASURED AT AMORTISED COST

EUR million	Amortised cost 31.12.2024	Amortised cost 31.12.2023
AAA	—	—
AA	—	—
A	—	—
BBB or lower	130	27
Not rated	852	926
Total	**982**	**954**

The rating categories are based on the classifications used by the leading international rating agencies. The unrated financial instruments are mainly mortgage loans.

(9) Financial instruments measured at fair value through OCI

EUR million	Amortised cost 31.12.2024	Amortised cost 31.12.2023	Unrealised gains/losses 31.12.2024	Unrealised gains/losses 31.12.2023	Fair value 31.12.2024	Fair value 31.12.2023
Debt instruments						
Government debt securities issued by EU member states	16,308	15,702	–1,503	–1,354	14,805	14,348
US Treasury notes	11,841	12,018	–900	–690	10,941	11,328
Other foreign government debt securities	8,091	7,134	–211	–129	7,880	7,005
Debt securities issued by quasi-governmental entities	30,933	28,782	–4,972	–5,036	25,962	23,746
Corporate bonds	36,597	32,901	–1,295	–1,873	35,302	31,029
Covered bonds/asset-backed securities	22,798	21,368	–1,431	–1,785	21,367	19,584
Other	752	655	–1	–7	751	648
Total debt instruments	**127,320**	**118,560**	**–10,313**	**–10,873**	**117,007**	**107,687**
Equity instruments						
Equities	868	1,331	172	188	1,040	1,519
Other participating interests (financial investments)	132	2	–5	1	127	3
Total equity instruments	**1,000**	**1,333**	**167**	**189**	**1,167**	**1,522**
Total	**128,320**	**119,893**	**–10,146**	**–10,684**	**118,174**	**109,210**

Changes in the fair value of the equity instruments shown are recognised directly in other comprehensive income, primarily as a result of a dividend-oriented investment strategy. Equity instruments of EUR 838 (62) million from these investments were disposed of in the reporting period. These accounted for unrealised gains and losses of EUR 109 (–11) million. Dividends paid on investments sold in the reporting period came to EUR 8 (2) million.

CONTRACTUAL MATURITIES

EUR million	Fair value 31.12.2024	Fair value 31.12.2023	Amortised cost 31.12.2024	Amortised cost 31.12.2023
Due within 1 year	15,623	11,693	15,646	11,748
More than 1 year but less than 2 years	11,468	8,115	11,567	8,267
More than 2 years but less than 3 years	9,000	10,524	9,106	10,793
More than 3 years but less than 4 years	8,021	7,360	8,150	7,590
More than 4 years but less than 5 years	8,146	7,265	8,387	7,459
More than 5 years but less than 10 years	29,416	28,086	30,651	29,783
More than 10 years	34,961	34,201	43,413	42,445
No duration	372	443	400	474
Total	**117,007**	**107,687**	**127,320**	**118,560**

RATING STRUCTURE

EUR million	Fair value 31.12.2024	31.12.2023
AAA	38,738	34,432
AA	27,848	28,612
A	24,709	20,327
BBB or lower	22,814	22,030
Not rated	2,899	2,287
Total	**117,007**	**107,687**

The rating categories are based on the classifications used by the leading international rating agencies.

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

EUR million	Fair value 31.12.2024	31.12.2023
Debt instruments		
Other foreign government debt securities	42	67
Debt securities issued by quasi-governmental entities	47	37
Corporate bonds	1,012	1,150
Covered bonds/asset-backed securities	69	17
Profit participating certificates	96	92
Life settlement contracts	13	13
Other	48	53
Total debt instruments	**1,328**	**1,429**
Equity instruments		
Equities	68	122
Shares in associates and joint ventures	187	190
Other equity instruments at fair value through profit or loss	10	10
Total equity instruments	**265**	**322**
Derivatives	364	415
Funds classified as at fair value through profit or loss	12,033	8,906
Investment contracts	2,174	1,971
Short-term investments	1,413	2,233
Total	**17,578**	**15,276**

CONTRACTUAL MATURITIES OF DEBT INSTRUMENTS

EUR million	Fair value 31.12.2024	31.12.2023
Due within 1 year	127	130
More than 1 year but less than 2 years	228	145
More than 2 years but less than 3 years	77	251
More than 3 years but less than 4 years	122	80
More than 4 years but less than 5 years	6	111
More than 5 years but less than 10 years	53	30
More than 10 years	603	567
No duration	112	116
Total	**1,328**	**1,429**

Short-term investments consist predominantly of overnight money and time deposits with a maturity of up to one year. The fair value of these deposits therefore corresponds largely to their carrying amount.

RATING STRUCTURE OF DEBT INSTRUMENTS

EUR million	Fair value 31.12.2024	31.12.2023
AAA	86	91
AA	174	36
A	282	407
BBB or lower	445	583
Not rated	340	312
Total	**1,328**	**1,429**

The rating categories are based on the classifications used by the leading international rating agencies.

(11) Other investments

INFRASTRUCTURE INVESTMENTS

EUR million	2024	2023
Gross carrying amount as at 31.12. of the previous year	**661**	**659**
Additions	1	2
Gross carrying amount as at 31.12. of the financial year	**662**	**661**
Accumulated depreciation and impairment losses as at 31.12. of the previous year	**–295**	**–265**
Depreciation and impairment losses		
Depreciation	–32	–32
Accumulated depreciation and impairment losses as at 31.12. of the financial year	**–328**	**–295**
Carrying amount as at 31.12. of the previous year	366	394
Carrying amount as at 31.12. of the financial year	**334**	**366**

Non-current assets from infrastructure investments relate to investments in wind farms. There are no restrictions on the disposal of these assets, and they have not been pledged as collateral. This item does not include wind farms under construction.

(12) 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	Utilisations	Other	Closing balance
2024									
Measurement category									
Financial instruments measured at amortised cost (level 1)	2	—	—	—	1	—	—	–2	1
Financial instruments measured at fair value through other comprehensive income (level 1)	90	3	–7	—	58	–30	—	–27	86
Financial instruments measured at fair value through other comprehensive income (level 2)	51	–3	8	–1	—	–8	—	6	52
Financial instruments measured at fair value through other comprehensive income (level 3)	134	—	–1	1	—	–4	–59	18	88
Simplified impairment model	18	—	—	—	2	–3	—	—	18
Total	**294**	**—**	**—**	**—**	**61**	**–46**	**–59**	**–5**	**246**
2023									
Measurement category									
Financial instruments measured at amortised cost (level 1)	2	—	—	—	—	—	—	—	2
Financial instruments measured at fair value through other comprehensive income (level 1)	87	12	–6	—	32	–18	—	–17	90
Financial instruments measured at fair value through other comprehensive income (level 2)	48	–12	13	–9	—	–12	—	22	51
Financial instruments measured at fair value through other comprehensive income (level 3)	134	—	–8	9	—	–8	—	7	134
Simplified impairment model	15	—	—	—	4	–2	—	1	18
Total	**286**	**—**	**—**	**—**	**36**	**–40**	**—**	**12**	**294**

CARRYING AMOUNT BY RISK CLASS[1]

EUR million	Level 1	Level 2	Level 3
2024			
AAA	38,738	—	—
AA	27,848	—	—
A	24,709	—	—
BBB or lower	22,443	466	36
Not rated	2,359	552	839
Total[2]	**116,096**	**1,019**	**875**
2023			
AAA	34,432	—	—
AA	28,612	—	—
A	20,327	—	—
BBB or lower	21,646	346	66
Not rated	1,914	486	812
Total[2]	**106,930**	**832**	**878**

[1] Only debt instruments measured at amortised cost and at fair value through other comprehensive income.
[2] In addition, no ratings are tracked for other assets in the amount of EUR 1.083 (953) million that are subject to the simplified impairment model due to their short-term nature.

Further information on the Group's credit risk and risk management methods can be found in the risk report section of the Group management report ("Risks from investments" section).

(13) Fair value hierarchy – investments

Fair value hierarchy

For disclosures purposes required by IFRS 13, both investments that are measured 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 fair value hierarchy reflects the characteristics of the pricing information and inputs used for measurement, and is structured as follows:

Level 1: Assets and liabilities that are measured using (unadjusted) prices quoted directly in active, liquid markets. These primarily include listed equities, futures and options, investment funds and highly liquid bonds traded in regulated markets.

Level 2: Assets and liabilities that are measured using observable market data and that are not allocated to Level 1. Measurement is based in particular on prices for comparable assets and liabilities that are traded in active markets, prices in markets that are not deemed active, and inputs derived from such prices and market data. These include, for example, assets measured on the basis of yield curves, such as promissory notes and registered bonds. Also allocated to Level 2 are market prices for bonds with limited liquidity, such as corporate bonds.

Level 3: Assets and liabilities that cannot be measured or can only be measured in part using inputs observable in the market. These instruments are mainly measured using valuation models and techniques. This level primarily includes funds (including equity instruments) and real estate.

If inputs from different levels are used to measure an investment, the lowest input level is used to measure the investment.

Allocation to the fair value hierarchy levels is reviewed at a minimum at the end of each period. Transfers are shown as if they had taken place at the beginning of the financial year.

Breakdown of investments measured at fair value

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 12% (11%) to Level 3.

There were no transfers 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 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
31.12.2024				
Assets measured at fair value				
Investment property	—	—	3,277	3,277
Shares in affiliated companies, associates, joint ventures and participating interests	5	1	718	724
Financial instruments measured at fair value through other comprehensive income				
Debt instruments	5	114,166	2,836	117,007
Equity instruments	1,039	—	128	1,167
Financial instruments measured at fair value through profit or loss				
Debt instruments classified as at fair value through profit or loss	4	1,094	231	1,328
Equity instruments classified as at fair value through profit or loss	14	—	251	265
Derivatives	—	181	183	364
Funds classified as at fair value through profit or loss	1,194	1,893	8,946	12,033
Investment contracts				
Financial instruments classified as at fair value through profit or loss	1,978	129	67	2,174
Short-term investments	1,412	1	—	1,413
Other assets				
Real estate held and used	—	—	99	99
Derivatives	—	—	—	—
Total assets measured at fair value	**5,652**	**117,465**	**16,735**	**139,852**
Financial liabilities measured at fair value				
Other liabilities (negative fair values from derivative financial instruments)				
Negative fair values from derivatives	—	241	5	245
Other liabilities (investment contracts)				
Financial instruments classified as at fair value through profit or loss	905	1,202	68	2,174
Liabilities designated as at fair value through profit or loss	14	—	—	14
Total financial liabilities measured at fair value	**919**	**1,443**	**73**	**2,434**

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				
Assets measured at fair value				
Investment property	—	—	3,426	3,426
Shares in affiliated companies, associates, joint ventures and participating interests	—	1	1,107	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 assets measured at fair value	**6,237**	**108,782**	**14,111**	**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 31 DECEMBER 2024

EUR million	Investment property	Participating interests	Debt instruments FVOCI	Equity instruments FVOCI	Debt instruments FVPL	Equity instruments FVPL	Derivatives	Funds FVPL	Investment contracts	Short-term investments	Real estate held and used	Total assets
2024												
Opening balance at the start of the reporting period	**3,426**	**1,107**	**2,430**	**3**	**202**	**220**	**200**	**6,335**	**79**	**—**	**108**	**14,111**
Income and expenses												
recognised in profit or loss	−198	37	11	—	1	−10	69	−140	—	—	−9	−239
recognised in other comprehensive income	—	2	31	−3	—	—	—	—	—	—	—	30
Transfers into Level 3 [1]	—	—	97	1	—	—	—	—	—	—	—	98
Transfers out of Level 3	—	—	—	—	—	—	—	8	−3	—	—	5
Changes in the basis of consolidation	—	−318	2	—	—	3	—	2,064	—	—	—	1,751
Additions	61	71	488	69	47	44	—	1,929	—	—	—	2,708
Sales	—	−130	−104	−5	−22	−1	−92	−1,402	−10	—	—	−1,766
Repayments/redemptions	−12	—	−146	—	−1	—	−1	—	—	—	—	−161
Exchange rate changes	—	8	27	5	4	−5	7	152	—	—	—	197
Other changes	—	−59	—	59	—	—	—	—	—	—	—	—
Closing balance at the end of the reporting period	**3,277**	**718**	**2,836**	**128**	**231**	**251**	**183**	**8,946**	**67**	**—**	**99**	**16,735**
2023												
Opening balance at the start of the previous period	**3,366**	**950**	**2,556**	**3**	**234**	**214**	**264**	**5,278**	**74**	**5**	**118**	**13,062**
Income and expenses												
recognised in profit or loss	−231	−5	11	—	6	−5	53	−159	−1	—	−10	−341
recognised in other comprehensive income	—	70	56	—	—	—	—	—	—	—	—	126
Transfers into Level 3 [1]	—	—	—	—	—	—	—	611	—	—	—	611
Transfers out of Level 3	—	—	—	—	—	—	—	−35	—	—	—	−35
Changes in the basis of consolidation	—	—	—	—	—	—	—	—	—	—	—	—
Additions	36	102	266	—	1	14	—	1,076	7	—	—	1,502
Sales	—	−1	−308	—	−17	−5	−119	−385	−2	−4	—	−842
Repayments/redemptions	−20	—	−127	—	−20	—	−1	—	—	—	—	−169
Exchange rate changes	—	−9	−23	—	−2	2	4	−66	—	—	—	−94
Other changes	275	—	—	—	—	—	—	16	—	—	—	290
Closing balance at the end of the previous period	**3,426**	**1,107**	**2,430**	**3**	**202**	**220**	**200**	**6,335**	**79**	**—**	**108**	**14,111**

[1] Trading in an active market was discontinued.

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

EUR million	Investment property	Participating interests	Debt instruments FVOCI	Equity instruments FVOCI	Debt instruments FVPL	Equity instruments FVPL	Derivatives	Funds FVPL	Investment contracts	Short-term investments	Real estate held and used	Total assets
2024												
Gains and losses in the financial year												
Investment income	65	37	13	—	4	20	74	281	—	—	1	494
Investment expenses	–262	—	–2	—	–3	–30	–6	–421	—	—	–10	–732
of which attributable to financial instruments held as at the end of the reporting period												
Investment income	65	36	4	—	2	20	73	280	—	—	1	480
of which investment income from fair value changes	65	34	—	—	1	20	73	280	—	—	1	473
Investment expenses	–262	—	–1	—	–3	–30	–6	–421	—	—	–10	–732
of which investment losses from fair value changes	–262	—	—	—	–3	–30	–1	–421	—	—	–10	–727
2023												
Gains and losses in the previous year												
Investment income	39	1	16	—	8	6	66	180	—	—	1	316
Investment expenses	–270	–6	–5	—	–1	–11	–13	–339	—	—	–11	–656
of which attributable to financial instruments held as at the end of the reporting period												
Investment income	39	1	7	—	8	1	27	179	—	—	1	263
of which investment income from fair value changes	39	1	—	—	7	1	27	179	—	—	1	255
Investment expenses	–228	–6	–1	—	–1	–11	–13	–335	—	—	–2	–597
of which investment losses from fair value changes	–228	–6	—	—	–1	–11	–9	–335	—	—	–2	–592

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 31 DECEMBER 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	—	—	—
Sales	–5	–10	–14
Exchange rate changes	—	—	—
Closing balance at the end of the reporting period	**5**	**68**	**73**
2023			
Opening balance at the start of the previous period	**14**	**76**	**91**
Income and expenses			
recognised in profit or loss	1	—	1
recognised in other comprehensive income	—	—	—
Transfers into Level 3	—	—	—
Transfers out of Level 3	—	—	—
Additions	—	2	2
Sales	–7	–2	–9
Exchange rate changes	—	4	4
Closing balance at the end of the previous period	**9**	**80**	**89**

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	—	—	—
2023			
Gains and losses in the previous year			
Investment income	—	—	—
Investment expenses	1	—	1
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	1	—	1
of which investment losses from fair value changes	1	—	1

ADDITIONAL INFORMATION ABOUT THE MEASUREMENT OF LEVEL 3 INVESTMENTS

EUR million	Fair value 31.12.2024	Fair value 31.12.2023	Measurement technique	Unobservable inputs	Fluctuation (weighted average)
Unlisted equities funds, real estate funds and bond funds [2]	6,262	5,236	NAV method [3]	n.a.	n.a.
Real Estate	3,376	3,534	Discounted cash flow method	Present value of future cash flows	n.a.
Private equity funds/private equity real estate funds [1]	3,178	1,549	NAV method [3]	n.a.	n.a.
Unlisted bonds	1,145	1,427	Present value method	Remeasurement rate, credit-spread	2,17% (2,15%) n.a.
Unlisted bond funds [1]	894	946	NAV method [3]	n.a.	n.a.
Unlisted structured bonds	1,325	845	Hull-White; Interest rate models	Yield curve, volatility surfaces	n.a.
Insurance-related contracts [2]	445	469	Present value method	Fair values of CAT bonds, credit-spread	n.a. [4]
Investment contracts	134	159	—	—	—
Unquoted asset backed securities/mortgage backed securities	20	33	Present value method		
Plain vanilla interest rate swaps	28	—	Present value method	credit-spread	n.a.
CDOs/CLOs [2]	1	1	Present value method	Prepayment speed, risk premiums, default rates, recovery rates, redemptions	n.a. [4]

1 These financial instruments are classified as Level 3, since unobservable inputs are used to measure them.
2 These financial instruments are classified as Level 3, since they are neither based on market prices nor measured by the Group on the basis of observable inputs. They are measured using the NAV method.
3 NAV: net asset value – alternative inputs within the meaning of IFRS 13 cannot be reasonably established.
4 Fluctuations cannot be reasonably established without disproportionate effort due to the distinct character of the individual inputs.

If Level 3 investments are measured using models in which the use of reasonable alternative inputs leads to a material change in fair value, IFRS 7 requires disclosure of the effects of these alternative assumptions. Level 3 investments had fair values totalling EUR 16.8 (14.2) billion as at the end of the reporting period. Of this figure, the Group generally measures EUR 11.7 (8.6) billion using the net asset value (NAV) method and the Hull-White method and EUR 1.2 (1.5) billion using the present value method (applying customer-specific credit spreads), under which alternative inputs within the meaning of the standard cannot reasonably be established. The present value method is also used for insurance-related contracts in the amount of EUR 445 (469) million, which are recognised in Level 3. The changes in value of these contracts depend on the changes in the risk characteristics of an underlying group of primary insurance contracts, which are subject to legal requirements for the recognition of technical provisions. The use of alternative inputs and assumptions has no material effect on the consolidated financial statements. In addition, assets under investment contracts totalling EUR 67 (80) million are offset by liabilities from investment contracts in the same amount. We have not provided a scenario analysis since the assets and liabilities completely offset each other and their values perform similarly. Real estate measured at a fair value of EUR 3.4 (3.5) billion is measured using the income capitalisation approach.

The key factors (not observable in the market) in calculating the fair value of properties are standard market rent and the market return, which is essentially represented by the property return. In the event of a change in the standard market rent of +1% (–1%), the fair value likewise changes by around +1% (–1%). In the event of a change in the return of +1% (–1%), the fair value likewise changes by around –1% (+1%).

Measurement process

The measurement process aims to use either publicly available prices in active markets or measurements with economically established models that are based on observable inputs to ascertain the fair value of investments (Level 1 and Level 2 investments). In the case of assets for which publicly available prices or observable market data are not available (Level 3 assets), measurements are primarily made on the basis of documented valuations prepared by independent professional experts (e.g. audited net asset values, present value of future cash flows review) that have previously been subjected to systematic plausibility checks. The organisational unit entrusted with measuring investments is independent of the organisational units that take on the exposure to the investment risk, thus ensuring the separation of functions and responsibilities. The measurement processes and methods are documented in full. Decisions on measurement issues are taken by the Talanx Valuation Committee, which meets every month.

We do not make use of the portfolio measurement option permitted by IFRS 13.48.

FAIR VALUE HIERARCHY – INVESTMENTS AND OTHER ASSETS NOT MEASURED AT FAIR VALUE

EUR million

	Level 1	Level 2	Level 3	Fair value
31.12.2024				
Financial assets not measured at fair value				
Financial instruments measured at amortised cost	—	129	741	870
Financial liabilities not measured at fair value				
Subordinated liabilities	4,237	—	43	4,280
Notes payable and loans	3,645	183	67	3,895
Other assets not measured at fair value				
Investment property	—	89	3,410	3,499
Real estate held and used	—	91	655	746
31.12.2023				
Financial assets not measured at fair value				
Financial instruments measured at amortised cost	—	25	786	811
Financial liabilities not measured at fair value				
Subordinated liabilities	4,818	—	70	4,887
Notes payable and loans	3,098	199	98	3,395
Other assets not measured at fair value				
Investment property	—	80	3,323	3,402
Real estate held and used	—	113	696	810

(14) Derivative financial instruments and hedge accounting

Derivatives

We use derivative financial instruments to hedge against interest rate, currency and other market risks and, to a limited extent, also to optimise income and realise intentions to buy and sell. The relevant regulatory requirements and the rules set out in the Group's internal investment guidelines are strictly observed, and prime-rated counterparties are always selected.

In addition, derivatives embedded in structured products and insurance contracts are separated from the underlying host contracts and recognised separately at fair value where this is required by IFRS 9 or IFRS 17.

Derivative financial instruments are initially measured at the fair value attributable to them at the transaction date. Thereafter, they are measured at the fair value applicable at the end of each reporting period. For information on the measurement techniques, see the Fair value measurement subsection of the Accounting policies section.

The method adopted for recognising gains and losses depends on whether the derivative financial instrument was used as a hedging instrument under IFRS 9 and, if it was, on the nature of the hedged item or risk. In the case of derivatives that do not qualify as hedging instruments, changes in value are recognised in profit or loss under net investment income. This approach also applies to separated embedded derivatives associated with structured financial instruments and insurance contracts. In the case of hedging instruments, the Group classifies the derivatives as fair value hedges or cash flow hedges, depending on their purpose.

DERIVATIVE FINANCIAL INSTRUMENTS, BY BALANCE SHEET ITEM

EUR million	Hedging instrument under IFRS 9	31.12.2024	31.12.2023
Balance sheet item (positive fair values)			
Financial instruments measured at fair value through profit or loss (derivatives)	No	358	406
Financial instruments measured at fair value through profit or loss (hedging instruments)	Yes	6	9
Other assets from derivative financial instruments (hedging instruments)	Yes	—	2
Balance sheet item (negative fair values)			
Other liabilities:			
Liabilities from derivatives	No	−117	−105
Liabilities from derivatives (hedging instruments)	Yes	−128	−171
Total		**119**	**141**

Derivative financial instruments – not including hedging instruments – generated a gain from fair value changes of EUR 30 (108) million in the reporting period. The gain realised on positions closed out in 2024 amounted to EUR 22 (28) million.

The fair values of our open derivative positions as at the end of the reporting period, including their associated notional amounts, are shown and classified by risk type and maturity in the Maturities of derivative financial instruments table. Positive and negative fair values are offset in the table. Open positions from derivatives amounted to EUR 119 (141) million at the end of the reporting period, corresponding to 0.1% (0.1%) of total assets.

Disclosures on offsetting financial assets and liabilities

The Group enters into derivatives transactions on the basis of standardised master agreements that contain master offsetting arrangements. The offsetting agreements listed in the table of offsetting agreements do not generally meet the criteria for offsetting in the balance sheet, as the Group currently has no legal right to offset the reported amounts. The right to offset is generally only enforceable upon the occurrence of certain defined future events. Depending on the counterparty, collateral pledged or received is taken into account up to the amount of the related net liability or net asset.

Hedge accounting

The Group uses hedge accounting to compensate for changes in an underlying transaction's fair value or cash flows that are caused by changes in market prices by entering into a hedging instrument (derivative) whose changes in fair value or cash flows approximately offset those of the hedged item. Hedging is performed at the level of individual transactions (micro hedges). When the Group enters into a hedge, we document the hedging relationship between the hedged item and the hedging instrument, the risk management objective and the underlying hedging strategy. In addition, at the inception of the hedging relationship we document our assessment of the extent to which the hedging instruments will be highly effective in offsetting the changes in the fair value or cash flows of the hedged items. There is documented evidence of the effectiveness of the hedges.

MATURITIES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR million	Due within 1 year	More than 1 year and up to 5 years	More than 5 years and up to 10 years	More than 10 years	Other	Total 31.12.2024	31.12.2023
Interest rate hedges							
Fair value	–85	–22	–17	42	—	–83	–124
Notional amount	157	144	428	272	—	1,001	1,393
Currency hedges							
Fair value	–18	38	–14	—	—	7	50
Notional amount	4,665	1,285	372	—	—	6,322	6,263
Equity and index hedges							
Fair value	28	—	—	—	—	28	28
Notional amount	980	—	—	—	—	980	795
	—	1	—	–1	—	—	5
	106	334	241	30	—	711	520
Derivatives associated with insurance contracts[1]							
Fair value	39	69	11	8	13	141	151
Credit risk							
Fair value	—	14	12	—	—	26	30
Notional amount	7	280	135	—	—	422	618
Other risks							
Fair value	–1	—	—	—	—	—	—
Notional amount	1	—	—	—	—	1	—
Total hedges							
Fair value	**–36**	**101**	**–8**	**49**	**13**	**119**	**141**
Notional amount	**5,914**	**2,042**	**1,177**	**302**	**—**	**9,437**	**9,588**

[1] Financial instruments relate to embedded derivatives in the reinsurance business in particular. These are required by IFRS 17 to be separated from the underlying insurance contract and recognised separately. Due to the characteristics of these derivatives, it is not reasonably possible to disclose the notional amounts, and this information has therefore not been provided. These derivatives are recognised at fair value.

NETTING ARRANGEMENTS

EUR million	Fair value	Netting arrangement	Cash collateral received/ provided	Other collateral received/ provided	Net amount
31.12.2024					
Derivatives (positive fair values)	188	66	76	—	45
Derivatives (negative fair values)	228	66	20	129	13
31.12.2023					
Derivatives (positive fair values)	229	102	105	4	19
Derivatives (negative fair values)	255	102	8	80	65

Cash flow hedges

The Group has hedged interest rate risk exposures in highly probable **future transactions**. This is done by recognising hedges comprising forward securities transactions (forward purchases) and planned securities purchases. These forward purchases are used to hedge the risk that scheduled reinvestments may generate low returns in future due to falling interest rates. The underlying transaction for the hedging instruments is the future investment at the returns/prices applicable at the time. In accordance with IFRS 9, hedges of forecast transactions are accounted for as cash flow hedges. In addition, a currency risk was hedged in the reporting period using forward exchange transactions in connection with an acquisition.

In order to reduce the inflation risk of the payments of a morbidity loss reserve portfolio, the Group began entering into **inflation swaps in the form of cash flow hedges** in the 2022 financial year. The primary purpose of these is to hedge against fluctuations in reinsurance payments due. They are structured in such a way that separate inflation swaps are concluded for the claims and claim expenses incurred in each year. These financial instruments resulted in the recognition of other financial instruments at fair value through profit or loss in the amount of EUR 2 (4) million. The hedge resulted in a reduction in equity from hedging transactions in the amount of EUR –3 (2) million that was recognised directly in equity. If the hedged item is not a financial instrument, the ineffective portions are recognised in other comprehensive income.

Hannover Rück SE has been purchasing hedging instruments in the form of equity swaps (cash flow hedges) since 2014 in order to **hedge against price risks** associated with the stock appreciation rights granted under its share award plan.

As at the end of the reporting period, the Group held derivative financial instruments (currency forwards) in the area of primary insurance and reinsurance that were entered into as **hedges of currency risks relating to long-term investments in foreign businesses**.

The effective portion of hedging instruments measured at fair value is recognised in equity in the reserve for cash flow hedges, net of deferred taxes and any policyholder participation. By contrast, the ineffective portion of such changes in fair value is recognised directly in the statement of income under net investment income in cases where the hedged underlying transactions are financial instruments (hedges of forecast transactions). If the hedged item is not a financial instrument, the ineffective portion is recognised in other comprehensive income (hedges of price risks in connection with stock appreciation rights granted). If hedged transactions result in the recognition of financial assets, the amounts recognised in equity are amortised over the life of the acquired asset.

The following table shows the reconciliation of the reserve for cash flow hedges (before taxes and before policyholder participation):

CHANGES IN THE RESERVE FOR CASH FLOW HEDGES

EUR million	2024	2023
Carrying amount as at 31.12. of the previous year (before taxes)	–206	–165
Additions (hedges of forecast transactions)	–26	–9
Additions (hedges of price risks)	1	1
Additions (hedges of currency risks relating to long-term investments)	14	49
Additions (hedges of inflation risks)	–3	2
Reversals to the statement of income (hedges of forecast transactions)	–39	–24
Reversals to the balance (acquisitions)	–7	–59
Carrying amount as at 31.12. of the financial year (before taxes)	**–266**	**–206**

The reserve for cash flow hedges changed by EUR –60 (–40) million (before taxes) or EUR –41 (–29) million (after taxes) in the reporting period. A total of EUR 13 (15) million was amortised in the statement of income in 2024 in connection with forward purchases falling due and EUR 26 (9) million was amortised in connection with forward purchases terminated early, resulting in gains being realised in net investment income.

In the reporting period, ineffective portions of cash flow hedges in the amount of EUR –9 (–9) million were recognised in profit or loss.

The expected cash flows from cash flow hedges were as follows:

CASH FLOWS OF HEDGED FORECAST TRANSACTIONS

EUR million	31.12.2024	31.12.2023
Cash flows of hedged items	**301**	**459**
Due within 1 year	108	157
More than 1 year and up to 5 years	126	234
More than 5 years and up to 10 years	67	67

There were no forecast transactions in 2024 that had previously been included in hedging relationships but that are no longer likely to occur in the future.

Fair values of hedging instruments

The fair values of derivative financial instruments designated in connection with hedge accounting were as follows:

HEDGING INSTRUMENTS

EUR million	31.12.2024	31.12.2023
Cash flow hedges		
Forward securities transactions	–118	–170
Equity swaps	–3	2
Inflation Swaps	2	4
	–119	**–163**
Hedges of currency risks relating to long-term investments		
Currency forwards	–3	3
Total	**–122**	**–160**

The net gains or losses from hedging derivatives recognised in the statement of income amounted to EUR 30 (15) million in the reporting period and relate to the amortisation of equity amounts of EUR 39 (24) million and the changes in fair value recognised in profit or loss due to ineffectiveness (EUR –9 [–9] million).

Derivatives associated with insurance contracts

A number of contracts in the Life/Health Reinsurance segment have features that require the application of the provisions of IFRS 17 governing embedded derivatives. According to these requirements, certain derivatives embedded in reinsurance contracts must be separated from the host insurance contract and recognised separately in accordance with IFRS 9 in net investment income. Fluctuations in the fair value of the derivative components in following periods must be recognised through profit or loss.

A number of transactions underwritten in previous years for the Life/Health Reinsurance segment involved Hannover Re companies offering their contract partners cover for risks associated with possible future payment obligations under hedging instruments. These transactions are also required to be classified as derivative financial instruments. The payment obligations result from contractually defined events and relate to changes in an underlying group of primary insurance contracts with statutory reserving requirements. In accordance with IFRS 9, the contracts must be categorised and accounted for as stand-alone credit derivatives. Upon initial recognition, these derivative financial instruments were recognised directly in equity, as receivables were to be recognised in the same amount. The fair value of these instruments at the end of the reporting period amounted to EUR 14 (16) million and was reported in other financial instruments measured at fair value through profit or loss. Fair value changes in subsequent periods are recognised depending on how risk develops. In the reporting period, they increased earnings by EUR 57 (39) million.

The portfolio contains hedges against an extreme rise in mortality, because the Reinsurance Division hedges against a rise in mortality rates, for example due to pandemics, natural disasters or terror attacks. The risk swap is indexed to a weighted, combined population mortality in the US, the UK and Australia. Coverage pays out a proportional sum between 110% and 120% of the mortality index. At the end of the reporting period, the derivative has a negative fair value of EUR 1 (2) million and was recognised under other liabilities. The change in the value of the derivative resulted in earnings of EUR 1 (14) million over the course of the year.

The Life/Health Reinsurance segment also previously entered into a reinsurance contract including a financing component under which the amount and timing of returns are dependent on lapse rates in an underlying primary insurance portfolio. This contract and a corresponding retrocession agreement, which were required to be classified as financial instruments under IFRS 9, resulted in the recognition of other liabilities of EUR 5 (9) million and of financial instruments measured at fair value through profit or loss of EUR 125 (126) million. Overall, these two contracts increased earnings by EUR 13 (11) million in the reporting period.

Index-based coverage of longevity risks was taken out at the end of the financial year 2017. The resulting derivative was recognised as at the end of the reporting period at a positive fair value of EUR 8 (7) million in other financial instruments measured at fair value through profit or loss. The change in the value of this derivative resulted in earnings of EUR 3 (4) million over the course of the year.

Coverage of biometric risks containing a financing component was taken out in the Life/Health Reinsurance segment in financial year 2022. In accordance with IFRS 9, a derivative financial instrument must be separated from this. In the reporting period, the derivative led to the recognition of other financial instruments measured at fair value through profit or loss in the amount of EUR 0 (13) million. The change in the value of the derivative resulted in earnings of EUR 0 (4) million over the course of the financial year.

Overall, application of the accounting requirements governing insurance derivatives led to the recognition of assets totalling EUR 147 (162) million and of liabilities associated with insurance derivatives of EUR 6 (11) million as at the end of the reporting period. In the reporting period, all insurance derivatives requiring separate measurement resulted in increased earnings of EUR 74 (72) million and no negative impact on earnings.

Financial guarantee contracts

Structured transactions were entered into in the Life/Health Reinsurance segment in order to finance statutory reserves (“Triple X” or “AXXX” reserves) for US cedants. These structures required the use of a special purpose entity in each case. These entities bear extreme mortality risks above a contractually defined retention ratio that have been securitised by the cedants and transfer them via a fixed/variable-rate swap to a company belonging to the Hannover Rück SE Group. The total contractually agreed transaction capacity is the equivalent of EUR 3,193 (795) million; the equivalent of EUR 2,629 (735) million had been underwritten as at the end of the reporting period. The variable payments to the special purpose entities guaranteed by Hannover Rück SE companies cover the formers’ payment obligations. For some transactions, payments resulting from the swaps in the event of claims are reimbursed by the cedants’ parent companies under compensation agreements. In this case, the reimbursement claims under the compensation agreements must be capitalised separately from, and up to the amount of, the provision.

Under IFRS 9, these transactions must be recognised at fair value as financial guarantee contracts. Hannover Rück SE uses the net method for this purpose, under which the present value of the agreed fixed swap premiums is netted against the present value of the guarantee commitment. The fair value on initial recognition therefore amounted to zero. The higher of adjusted historical cost and the amount required to be reported as a provision in accordance with IAS 37 is recognised when utilisation is considered probable. This was not the case as at the end of the reporting period.

(15) Other assets

OTHER ASSETS

EUR million	2024	2023[1]
Real estate held and used – measured at amortised cost	636	708
Real estate held and used – measured at fair value	99	108
Tax assets	675	647
Operating and office equipment	171	162
Interest and rent due	23	26
Derivative financial instruments – hedges	—	2
Other property, plant and equipment	27	25
Miscellaneous assets	2,292	1,983
Carrying amount as at 31.12. of the financial year	**3,924**	**3,660**

[1] Adjusted, see “Accounting policies”, section “Summary of significant accounting policies” of the Notes.

Restrictions on disposal and guarantee assets relating to real estate held and used amounted to EUR 402 (405) million as at 31 December 2024. Capitalised expenditures for property, plant and equipment under construction totalled EUR 4 (5) million as at the end of the reporting period.

CHANGES IN REAL ESTATE HELD AND USED

EUR million	2024	2023
Gross carrying amount as at the end of the previous year	**1,167**	**1,097**
Changes in the basis of consolidation	31	22
Additions	46	53
Disposals	–74	–16
Exchange rate changes	–16	10
Gross carrying amount as at the end of the reporting period	**1,154**	**1,167**
Accumulated depreciation and impairment losses as at the end of the previous year	**–459**	**–376**
Changes in the basis of consolidation	–8	–5
Disposals	41	13
Depreciation and impairment losses		
Depreciation	–98	–87
Impairment losses	—	–5
Reversals of impairment losses	—	2
Exchange rate changes	7	–2
Accumulated depreciation and impairment losses as at the end of the reporting period	**–518**	**–459**
Carrying amount as at the end of the previous year	708	721
Carrying amount as at the end of the reporting period	**636**	**708**

CHANGES IN OPERATING AND OFFICE EQUIPMENT

EUR million	2024	2023
Gross carrying amount as at the end of the previous year	**615**	**521**
Changes in the basis of consolidation	6	23
Additions	51	88
Disposals	–50	–21
Reclassifications	9	5
Exchange rate changes	—	–1
Gross carrying amount as at the end of the reporting period	**632**	**615**
Accumulated depreciation and impairment losses as at the end of the previous year	**–453**	**–363**
Changes in the basis of consolidation	–4	–19
Disposals	43	13
Depreciation and impairment losses		
Depreciation	–50	–83
Exchange rate changes	4	–1
Accumulated depreciation and impairment losses as at the end of the reporting period	**–461**	**–453**
Carrying amount as at the end of the previous year	162	158
Carrying amount as at the end of the reporting period	**171**	**162**

MISCELLANEOUS ASSETS

EUR million	2024	2023[1]
Investment receivables	116	117
Claims under pension liability insurance/ surrender values	118	116
Prepaid insurance benefits	3	4
Prepaid expenses	224	170
Other financial instruments – measured at cost	1,066	935
of which trade accounts receivable (gross)	232	207
of which receivables from non-Group lead business (gross)	657	533
of which other receivables (gross)	193	212
of which expected credit losses (gross)	–18	–18
Other miscellaneous assets	766	642
Total	**2,292**	**1,983**

[1] Adjusted, see “Accounting policies”, section “Summary of significant accounting policies” of the Notes.

Other assets primarily include accounts receivable that are not allocated to the technical items.

Notes to the consolidated balance sheet – equity and liabilities

(16) Equity

Changes in equity and non-controlling interests

COMPOSITION OF EQUITY

EUR million	31.12.2024	31.12.2023
Subscribed capital	323	323
Capital reserves	1,685	1,685
Retained earnings	8,375	7,468
Other reserves	–699	–611
Group net income	1,977	1,581
Non-controlling interests in equity	6,834	6,347
Total	**18,495**	**16,793**

Other reserves include gains and losses from currency translation of EUR –329 (–355) million.

UNREALISED GAINS AND LOSSES INCLUDED IN OTHER RESERVES

EUR million	31.12.2024	31.12.2023
From investments	–7,965	–8,496
From insurance finance income or expenses from insurance contracts issued	8,465	9,285
From insurance finance income or expenses from reinsurance contracts held	–153	–227
From cash flow hedges	–256	–195
From the measurement of associates using the equity method	3	–8
Other changes	–680	–724
less/plus		
Deferred taxes recognised directly in equity	217	110
Non-controlling interests in equity	60	–72
Total	**–309**	**–327**

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

RECONCILIATION ITEMS FOR NON-CONTROLLING INTERESTS IN EQUITY

EUR million	31.12.2024	31.12.2023
Unrealised gains and losses on investments	–1,332	–1,345
Share of net income	1,307	964
Other equity	6,859	6,727
Total	**6,834**	**6,347**

Subscribed capital

The share capital was unchanged at EUR 323 million and is composed of 258,228,991 (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.

Contingent capital

On 5 May 2022, the Annual General Meeting resolved to contingently increase the share capital by up to EUR 94 million, composed of up to 75,000,000 new no-par value shares (Contingent Capital I). The contingent capital increase serves to grant no-par value shares to holders of registered bonds to be issued against cash contributions in the period up to 4 May 2027 by Talanx AG or a subordinate Group company within the meaning of section 18 of the German Stock Corporation Act (AktG) on the basis of the authorisation granted to the Board of Management under the Annual General Meeting's resolution of the same date. The shares will be used to satisfy the contingent conversion obligation.

The same Annual General Meeting resolved to contingently increase the share capital by up to EUR 63 million by issuing up to 50,000,000 new no-par value shares (Contingent Capital II). The contingent capital increase serves to grant no-par value shares to holders of bonds (convertible bonds and bonds with warrants) and participating bonds and profit participation rights with conversion rights or warrants or (contingent) conversion obligations and/or subordinated (hybrid) financial instruments to create equity components within the meaning of section 89 of the German Insurance Supervision Act (VAG) (or a subsequent regulation) or within the meaning of the Solvency 2 Directive (Directive 2009/138/EC) and the latest version of related national measures or measures adopted by the European Union, where the issue of these must be approved by the Annual General Meeting under section 221 of the German Stock Corporation Act (AktG), for example due to profit-related interest, the structure of loss participation or for other reasons, to be issued by Talanx AG or its subordinate Group companies within the meaning of section 18 of the AktG in the period between 5 May 2022 and 4 May 2027 on the basis of the authorising resolution adopted by the Annual General Meeting on the same date.

The amendments to the Articles of Association took effect on their entry in the commercial register on 2 June 2022.

Authorised capital

The Annual General Meeting on 5 May 2022 resolved to renew the authorised capital in accordance with article 7(1) of Talanx AG's Articles of Association and to insert a new article 7(1) authorising the Board of Management, subject to the approval of the Supervisory Board, to increase the share capital on one or more occasions in the period up to 4 May 2027 by a maximum of EUR 152 million by issuing new no-par value registered shares in exchange for cash or non-cash contributions (Authorised Capital 2022/I). Subject to the approval of the Supervisory Board, EUR 2.2 million of this may be used to issue employee shares. Shareholders' pre-emptive rights may be suspended in the case of cash capital increases for certain specified purposes, subject to the approval of the Supervisory Board. They may be suspended in the case of non-cash capital increases, also subject to the approval of the Supervisory Board, where this is in the Company's overriding interest. The total shares issuable on the basis of this authorisation while suspending pre-emptive rights may not exceed 10% of the total share capital.

The amendment to the Articles of Association took effect on its entry in the commercial register on 2 June 2022.

Capital management

The primary objective of the Talanx Group's capital management activities is to safeguard the Group's financial strength and enhance its capital efficiency. For detailed information on the capital management we refer to the disclosures to the capital management process in the Financial position subsection in the Assets, liabilities, financial position and financial performance section in the management report.

Treasury shares

An employee share programme was set up for 2024 in which adult trainees/employees (with the exception of those employed by Hannover Rück SE) could each acquire up to 120 Talanx shares at a discounted price. The exercise price was based on the lowest daily rate on the Frankfurt/XETRA and Hannover stock exchanges on 27 September 2024 and amounted to EUR 74.55 less the discount of EUR 7.50 or EUR 15 per share. The shares were repurchased by the Company on the XETRA exchange at an average price of EUR 77.03 for this purpose. In total, 151,888 shares were sold to employees via this programme. The employee share programme did not have any impact on equity. The transaction resulted in personnel expenses of EUR 1.8 (0.9) million. The employee shares are subject to a lock-up period which expires on 30 November 2026.

(17) 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.

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 end of the reporting period. These had not been drawn down as at the end of the reporting period.

The subordinated loan from HDI Assicurazioni S. p. A. with a nominal value of EUR 27 million and an interest rate of 5.5% was repaid in full during the financial year.

LONG-TERM SUBORDINATED DEBT

EUR million	Nominal amount	Coupon	Maturity	Rating[2]	Issue	31.12.2024	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	750	Floating rate (4,16%)	2023/2026	(—; —)	Credit line in the form of a subordinated bond that can be cancelled monthly.	—	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
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.	450	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.	34	34
HDI Assicurazioni S.p.A.	27	Fixed (5.5%)	2016/2026	(—; —)	Subordinated loan.	—	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						**4,487**	**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.

FAIR VALUES OF SUBORDINATED LIABILITIES MEASURED AT AMORTISED COST

EUR million	31.12.2024	31.12.2023
Amortised cost	4,487	5,262
Unrealised gains/losses	–207	–375
Fair value	**4,280**	**4,887**

The fair values of the issued liabilities are generally based on quoted prices in active markets. Where such price information was not available, fair value was measured on the basis of the recognised effective interest method or was estimated using other financial instruments with similar ratings, durations or yield characteristics. The effective interest method is always based on current market interest rates in the relevant fixed rate maturity ranges.

The net expenses of EUR –118 (–131) million from subordinated liabilities in the reporting period consisted of interest expenses in the amount of EUR 116 (129) million and amortisation expenses (EUR 3 [2] million).

SUBORDINATED LIABILITIES: MATURITIES

EUR million	31.12.2024	31.12.2023
Due within 1 year	—	750
More than 1 year but less than 5 years	—	28
More than 5 years but less than 10 years	45	45
More than 10 years but less than 20 years	3,243	3,240
More than 20 years	750	750
No fixed maturity	450	449
Total	**4,487**	**5,262**

(18) Insurance contracts liabilities

Reconciliation of changes in the carrying amount

Corporate & Specialty

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

	Liability for remaining coverage		Liability for incurred claims			
				Contracts measured under the PAA		
EUR million	Excluding loss component	Loss component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2024						
Carrying amount of assets as at the start of the reporting period	–142	2	—	55	3	–82
Carrying amount of liabilities as at the start of the reporting period	1,240	15	—	15,694	608	17,558
Net opening balance	**1,099**	**17**	**—**	**15,750**	**611**	**17,476**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	3	—	3
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Insurance revenue						
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	–10,006	—	—	—	—	–10,006
Total insurance revenue	**–10,006**	**—**	**—**	**—**	**—**	**–10,006**
Insurance service expenses						
Incurred claims and other insurance service expenses	—	—	—	6,224	89	6,314
Amortisation of insurance acquisition cash flows	1,346	—	—	—	—	1,346
Losses and reversals of losses on onerous contracts	—	16	—	—	—	16
Adjustments to liability for incurred claims	—	—	—	276	–100	175
Total insurance service expenses	**1,346**	**16**	**—**	**6,500**	**–11**	**7,852**
Investment components	–7	—	—	7	—	—
Insurance service result	**–8,666**	**16**	**—**	**6,507**	**–11**	**–2,154**
Net insurance financial result	55	—	—	511	3	568
Effect of movements in exchange rates	8	—	—	147	10	165
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–8,604**	**16**	**—**	**7,164**	**2**	**–1,422**
Cash flows						
Premiums received	10,162	—	—	—	—	10,162
Claims and other insurance service expenses paid, including investment components	—	—	—	–5,452	—	–5,452
Insurance acquisition cash flows	–1,257	—	—	—	—	–1,257
Other cash flows	—	—	—	—	—	—
Total cash flows	**8,905**	**—**	**—**	**–5,452**	**—**	**3,453**
Net closing balance	**1,400**	**34**	**—**	**17,465**	**613**	**19,511**
Carrying amount of assets as at the end of the reporting period	–183	—	—	64	2	–117
Carrying amount of liabilities as at the end of the reporting period	1,582	34	—	17,401	611	19,628

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

EUR million	Liability for remaining coverage		Liability for incurred claims			
				Contracts measured under the PAA		
	Excluding loss component	Loss component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2023						
Carrying amount of assets as at the start of the reporting period	–67	1	—	1	2	–63
Carrying amount of liabilities as at the start of the reporting period	1,082	9	—	14,240	605	15,935
Net opening balance	**1,016**	**10**	**—**	**14,241**	**606**	**15,873**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	5	—	5
Disposal groups in accordance with IFRS 5	—	—	—	18	1	19
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Insurance revenue						
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	–9,065	—	—	—	—	–9,065
Total insurance revenue	**–9,065**	**—**	**—**	**—**	**—**	**–9,065**
Insurance service expenses						
Incurred claims and other insurance service expenses	—	–9	—	5,481	72	5,543
Amortisation of insurance acquisition cash flows	1,246	—	—	—	—	1,246
Losses and reversals of losses on onerous contracts	—	15	—	—	—	15
Adjustments to liability for incurred claims	—	—	—	318	–66	252
Total insurance service expenses	**1,246**	**5**	**—**	**5,798**	**6**	**7,055**
Investment components	–2	—	—	2	—	—
Insurance service result	**–7,821**	**5**	**—**	**5,800**	**6**	**–2,010**
Net insurance financial result	38	3	—	696	6	743
Effect of movements in exchange rates	–8	–1	—	–215	–8	–232
Other changes	1	—	—	–1	—	—
Total changes in the statement of income and other comprehensive income	**–7,790**	**7**	**—**	**6,280**	**4**	**–1,499**
Cash flows						
Premiums received	8,984	—	—	—	—	8,984
Claims and other insurance service expenses paid, including investment components	—	—	—	–4,795	—	–4,795
Insurance acquisition cash flows	–1,111	—	—	—	—	–1,111
Other cash flows	—	—	—	—	—	—
Total cash flows	**7,873**	**—**	**—**	**–4,795**	**—**	**3,079**
Net closing balance	**1,099**	**17**	**—**	**15,750**	**611**	**17,476**
Carrying amount of assets as at the end of the reporting period	–142	2	—	55	3	–82
Carrying amount of liabilities as at the end of the reporting period	1,240	15	—	15,694	608	17,558

Retail International

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

	Liability for remaining coverage		Liability for incurred claims			
				Contracts measured under the PAA		
EUR million	Excluding loss component	Loss component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2024						
Carrying amount of assets as at the start of the reporting period	–10	—	1	—	—	–8
Carrying amount of liabilities as at the start of the reporting period	6,556	110	972	3,610	196	11,444
Net opening balance	**6,545**	**111**	**973**	**3,610**	**196**	**11,436**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	256	71	—	–34	–2	290
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Insurance revenue						
Contracts measured under the modified retrospective approach	–2	—	—	—	—	–2
Contracts measured under the fair value approach	–65	—	—	—	—	–65
Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	–9,214	—	—	—	—	–9,214
Total insurance revenue	**–9,281**	**—**	**—**	**—**	**—**	**–9,281**
Insurance service expenses						
Incurred claims and other insurance service expenses	—	–296	1,482	4,725	48	5,959
Amortisation of insurance acquisition cash flows	2,111	—	—	—	—	2,111
Losses and reversals of losses on onerous contracts	—	283	—	—	—	283
Adjustments to liability for incurred claims	—	—	–96	–107	–29	–232
Total insurance service expenses	**2,111**	**–12**	**1,386**	**4,618**	**19**	**8,121**
Investment components	–1,356	—	1,354	3	—	—
Insurance service result	**–8,527**	**–12**	**2,740**	**4,620**	**19**	**–1,159**
Net insurance financial result	259	11	26	128	4	428
Effect of movements in exchange rates	1	–8	–22	–136	–6	–171
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–8,266**	**–10**	**2,745**	**4,612**	**17**	**–902**
Cash flows						
Premiums received	9,807	—	—	—	—	9,807
Claims and other insurance service expenses paid, including investment components	—	—	–2,786	–4,198	—	–6,983
Insurance acquisition cash flows	–1,800	—	—	—	—	–1,800
Other cash flows	—	—	—	—	—	—
Total cash flows	**8,008**	**—**	**–2,786**	**–4,198**	**—**	**1,024**
Net closing balance	**6,542**	**172**	**933**	**3,991**	**211**	**11,849**
Carrying amount of assets as at the end of the reporting period	–11	—	2	—	—	–9
Carrying amount of liabilities as at the end of the reporting period	6,553	172	931	3,991	211	11,857

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

EUR million	Liability for remaining coverage		Liability for incurred claims			
				Contracts measured under the PAA		
	Excluding loss component	Loss component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2023						
Carrying amount of assets as at the start of the reporting period	–6	—	1	—	—	–4
Carrying amount of liabilities as at the start of the reporting period	6,720	159	691	3,172	186	10,928
Net opening balance	**6,715**	**159**	**692**	**3,172**	**186**	**10,923**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	214	–3	–7	–13	–1	190
Disposal groups in accordance with IFRS 5	378	2	6	13	1	400
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Insurance revenue						
Contracts measured under the modified retrospective approach	–3	—	—	—	—	–3
Contracts measured under the fair value approach	–75	—	—	—	—	–75
Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	–7,021	—	—	—	—	–7,021
Total insurance revenue	**–7,099**	**—**	**—**	**—**	**—**	**–7,099**
Insurance service expenses						
Incurred claims and other insurance service expenses	—	33	1,000	4,089	42	5,165
Amortisation of insurance acquisition cash flows	1,676	—	—	—	—	1,676
Losses and reversals of losses on onerous contracts	—	–73	—	—	—	–73
Adjustments to liability for incurred claims	—	—	12	–121	–15	–124
Total insurance service expenses	**1,676**	**–40**	**1,012**	**3,968**	**27**	**6,644**
Investment components	–2,232	—	2,224	8	—	—
Insurance service result	**–7,655**	**–40**	**3,236**	**3,977**	**27**	**–455**
Net insurance financial result	464	6	42	122	–4	630
Effect of movements in exchange rates	221	–13	39	–174	–13	60
Other changes	63	—	–1	–62	—	—
Total changes in the statement of income and other comprehensive income	**–6,907**	**–47**	**3,317**	**3,862**	**10**	**235**
Cash flows						
Premiums received	7,571	—	—	—	—	7,571
Claims and other insurance service expenses paid, including investment components	—	—	–3,034	–3,425	—	–6,459
Insurance acquisition cash flows	–1,425	—	—	—	—	–1,425
Other cash flows	—	—	—	—	—	—
Total cash flows	**6,147**	**—**	**–3,034**	**–3,425**	**—**	**–312**
Net closing balance	**6,546**	**111**	**973**	**3,610**	**196**	**11,436**
Carrying amount of assets as at the end of the reporting period	–10	—	1	—	—	–8
Carrying amount of liabilities as at the end of the reporting period	6,556	110	972	3,610	196	11,444

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

			Contractual service margin			
EUR million	Estimated present value of future cash flows	Risk adjustment for non-financial risk	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	Total
2024						
Carrying amount of assets as at the start of the reporting period	–28	3	—	—	17	–9
Carrying amount of liabilities as at the start of the reporting period	5,401	240	4	146	362	6,154
Net opening balance	**5,373**	**243**	**4**	**146**	**379**	**6,145**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Changes that relate to current services						
CSM recognised for services provided	—	—	–1	–32	–350	–383
Changes in risk adjustment for non-financial risk for the risk expired	—	–122	—	—	—	–122
Experience adjustments	85	—	—	—	—	85
Total changes that relate to current services	**85**	**–122**	**–1**	**–32**	**–350**	**–420**
Changes that relate to future services						
Contracts initially recognised in the period	–428	104	—	—	347	22
Changes in estimates that adjust the CSM	17	–14	—	–3	—	—
Changes in estimates that relate to losses and reversals of losses on onerous contracts	2	–1	—	—	—	1
Total changes that relate to future services	**–409**	**88**	**—**	**–3**	**347**	**23**
Changes that relate to past services						
Adjustment to the liability for incurred claims	–81	–15	—	—	—	–96
Total changes that relate to past services	**–81**	**–15**	**—**	**—**	**—**	**–96**
Insurance service result	**–406**	**–48**	**–1**	**–35**	**–4**	**–493**
Insurance finance income and expenses from insurance contracts issued	268	—	—	—	11	279
Effect of movements in exchange rates	–31	–11	—	—	–29	–72
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–169**	**–59**	**–1**	**–35**	**–22**	**–286**
Cash flows						
Premiums received	3,094	—	—	—	—	3,094
Claims and other insurance service expenses paid, including investment components	–2,786	—	—	—	—	–2,786
Insurance acquisition cash flows	–541	—	—	—	—	–541
Other cash flows	—	—	—	—	—	—
Total cash flows	**–233**	**—**	**—**	**—**	**—**	**–233**
Net closing balance	**4,972**	**183**	**3**	**111**	**357**	**5,627**
Carrying amount of assets as at the end of the reporting period	–34	3	—	—	22	–8
Carrying amount of liabilities as at the end of the reporting period	5,005	180	3	111	335	5,635

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: Contracts measured under the modified retrospective approach	Contractual service margin: Contracts measured under the fair value approach	Contractual service margin: Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	Total
2023						
Carrying amount of assets as at the start of the reporting period	–25	3	—	—	18	–4
Carrying amount of liabilities as at the start of the reporting period	5,859	164	5	299	108	6,435
Net opening balance	**5,834**	**167**	**5**	**299**	**126**	**6,430**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	35	61	—	—	116	212
Disposal groups in accordance with IFRS 5	314	13	—	—	51	378
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Changes that relate to current services						
CSM recognised for services provided	—	—	–1	–32	–164	–197
Changes in risk adjustment for non-financial risk for the risk expired	—	–99	—	—	—	–99
Experience adjustments	50	—	—	—	—	50
Total changes that relate to current services	**50**	**–99**	**–1**	**–32**	**–164**	**–246**
Changes that relate to future services						
Contracts initially recognised in the period	–255	89	—	—	176	11
Changes in estimates that adjust the CSM	62	7	—	–121	51	—
Changes in estimates that relate to losses and reversals of losses on onerous contracts	–24	—	—	—	—	–23
Total changes that relate to future services	**–217**	**97**	**—**	**–121**	**228**	**–13**
Changes that relate to past services						
Adjustment to the liability for incurred claims	18	–5	—	—	—	12
Total changes that relate to past services	**18**	**–5**	**—**	**—**	**—**	**12**
Insurance service result	**–149**	**–7**	**–1**	**–153**	**64**	**–246**
Insurance finance income and expenses from insurance contracts issued	493	1	—	—	9	504
Effect of movements in exchange rates	79	8	—	—	13	100
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**423**	**2**	**–1**	**–153**	**86**	**357**
Cash flows						
Premiums received	2,162	—	—	—	—	2,162
Claims and other insurance service expenses paid, including investment components	–3,034	—	—	—	—	–3,034
Insurance acquisition cash flows	–361	—	—	—	—	–361
Other cash flows	—	—	—	—	—	—
Total cash flows	**–1,232**	**—**	**—**	**—**	**—**	**–1,232**
Net closing balance	**5,373**	**243**	**4**	**146**	**379**	**6,145**
Carrying amount of assets as at the end of the reporting period	–28	3	—	—	17	–9
Carrying amount of liabilities as at the end of the reporting period	5,401	240	4	146	362	6,154

Retail Germany

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

EUR million	Liability for remaining coverage		Liability for incurred claims			
				Contracts measured under the PAA		
	Excluding loss component	Loss component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2024						
Carrying amount of assets as at the start of the reporting period	—	—	—	—	—	—
Carrying amount of liabilities as at the start of the reporting period	55,799	145	409	2,563	70	58,985
Net opening balance	**55,799**	**145**	**409**	**2,563**	**70**	**58,985**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	–1	—	—	—	—	–1
Changes in the statement of income and other comprehensive income						
Insurance revenue						
Contracts measured under the modified retrospective approach	–1,124	—	—	—	—	–1,124
Contracts measured under the fair value approach	—	—	—	—	—	—
Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	–2,495	—	—	—	—	–2,495
Total insurance revenue	**–3,619**	**—**	**—**	**—**	**—**	**–3,619**
Insurance service expenses						
Incurred claims and other insurance service expenses	—	–18	1,013	1,131	–5	2,121
Amortisation of insurance acquisition cash flows	678	—	—	—	—	678
Losses and reversals of losses on onerous contracts	—	51	—	—	—	51
Adjustments to liability for incurred claims	—	—	—	196	—	196
Total insurance service expenses	**678**	**32**	**1,013**	**1,327**	**–5**	**3,046**
Investment components	–4,037	—	4,037	—	—	—
Insurance service result	**–6,978**	**32**	**5,050**	**1,327**	**–5**	**–573**
Net insurance financial result	3,226	—	26	51	—	3,304
Effect of movements in exchange rates	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–3,752**	**32**	**5,077**	**1,379**	**–5**	**2,732**
Cash flows						
Premiums received	6,207	—	—	—	—	6,207
Claims and other insurance service expenses paid, including investment components	—	—	–5,006	–1,417	—	–6,423
Insurance acquisition cash flows	–801	—	—	—	—	–801
Other cash flows	—	—	—	—	—	—
Total cash flows	**5,405**	**—**	**–5,006**	**–1,417**	**—**	**–1,018**
Net closing balance	**57,452**	**177**	**479**	**2,525**	**65**	**60,698**
Carrying amount of assets as at the end of the reporting period	—	—	—	—	—	—
Carrying amount of liabilities as at the end of the reporting period	57,452	177	479	2,525	65	60,698

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

	Liability for remaining coverage		Liability for incurred claims			
				Contracts measured under the PAA		
EUR million	Excluding loss component	Loss component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2023						
Carrying amount of assets as at the start of the reporting period	—	—	—	—	—	—
Carrying amount of liabilities as at the start of the reporting period	53,431	162	434	2,344	71	56,442
Net opening balance	**53,431**	**162**	**434**	**2,344**	**71**	**56,442**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	2	—	—	—	—	2
Changes in the statement of income and other comprehensive income						
Insurance revenue						
Contracts measured under the modified retrospective approach	–1,037	—	—	—	—	–1,037
Contracts measured under the fair value approach	—	—	—	—	—	—
Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	–2,521	—	—	—	—	–2,521
Total insurance revenue	**–3,558**	**—**	**—**	**—**	**—**	**–3,558**
Insurance service expenses						
Incurred claims and other insurance service expenses	—	–43	1,017	1,229	–1	2,201
Amortisation of insurance acquisition cash flows	676	—	—	—	—	676
Losses and reversals of losses on onerous contracts	—	26	—	—	—	26
Adjustments to liability for incurred claims	—	—	—	196	—	196
Total insurance service expenses	**676**	**–17**	**1,017**	**1,425**	**–1**	**3,099**
Investment components	–3,682	—	3,682	—	—	—
Insurance service result	**–6,563**	**–17**	**4,698**	**1,425**	**–1**	**–459**
Net insurance financial result	3,812	—	–20	120	—	3,912
Effect of movements in exchange rates	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–2,751**	**–17**	**4,678**	**1,545**	**–1**	**3,453**
Cash flows						
Premiums received	5,901	—	—	—	—	5,901
Claims and other insurance service expenses paid, including investment components	—	—	–4,703	–1,327	—	–6,029
Insurance acquisition cash flows	–782	—	—	—	—	–782
Other cash flows	–1	—	—	—	—	–1
Total cash flows	**5,118**	**—**	**–4,703**	**–1,327**	**—**	**–911**
Net closing balance	**55,799**	**145**	**409**	**2,563**	**70**	**58,985**
Carrying amount of assets as at the end of the reporting period	—	—	—	—	—	—
Carrying amount of liabilities as at the end of the reporting period	55,799	145	409	2,563	70	58,985

[1] The two segments Retail Germany – Property/Casualty and Retail Germany – Life were combined into a single Retail Germany segment for the purpose of standardised control based on the resolution of the Board of Management dated 7 October 2024.

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

			Contractual service margin			
EUR million	Estimated present value of future cash flows	Risk adjustment for non-financial risk	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	Total
2024						
Carrying amount of assets as at the start of the reporting period	—	—	—	—	—	—
Carrying amount of liabilities as at the start of the reporting period	52,602	505	2,199	—	801	56,106
Net opening balance	**52,602**	**505**	**2,199**	**—**	**801**	**56,106**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
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	—	—	–164	—	–245	–410
Changes in risk adjustment for non-financial risk for the risk expired	—	–38	—	—	—	–38
Experience adjustments	–48	—	—	—	—	–48
Total changes that relate to current services	**–48**	**–38**	**–164**	**—**	**–245**	**–496**
Changes that relate to future services						
Contracts initially recognised in the period	–414	19	—	—	395	—
Changes in estimates that adjust the CSM	–247	–92	280	—	59	—
Changes in estimates that relate to losses and reversals of losses on onerous contracts	31	—	—	—	—	32
Total changes that relate to future services	**–629**	**–73**	**280**	**—**	**454**	**32**
Changes that relate to past services						
Adjustment to the liability for incurred claims	—	—	—	—	—	—
Total changes that relate to past services	**—**	**—**	**—**	**—**	**—**	**—**
Insurance service result	**–677**	**–111**	**116**	**—**	**209**	**–464**
Insurance finance income and expenses from insurance contracts issued	3,228	7	1	—	17	3,253
Effect of movements in exchange rates	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**2,551**	**–104**	**117**	**—**	**226**	**2,789**
Cash flows						
Premiums received	3,991	—	—	—	—	3,991
Claims and other insurance service expenses paid, including investment components	–5,006	—	—	—	—	–5,006
Insurance acquisition cash flows	–509	—	—	—	—	–509
Other cash flows	—	—	—	—	—	—
Total cash flows	**–1,525**	**—**	**—**	**—**	**—**	**–1,525**
Net closing balance	**53,627**	**401**	**2,315**	**—**	**1,027**	**57,370**
Carrying amount of assets as at the end of the reporting period	—	—	—	—	—	—
Carrying amount of liabilities as at the end of the reporting period	53,627	401	2,315	—	1,027	57,370

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: 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	Total
2023						
Carrying amount of assets as at the start of the reporting period	—	—	—	—	—	—
Carrying amount of liabilities as at the start of the reporting period	50,202	417	2,648	—	490	53,757
Net opening balance	**50,202**	**417**	**2,648**	**—**	**490**	**53,757**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
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	—	—	–149	—	–213	–361
Changes in risk adjustment for non-financial risk for the risk expired	—	–32	—	—	—	–32
Experience adjustments	–53	—	—	—	—	–53
Total changes that relate to current services	**–53**	**–32**	**–149**	**—**	**–213**	**–446**
Changes that relate to future services						
Contracts initially recognised in the period	–448	21	—	—	428	—
Changes in estimates that adjust the CSM	180	37	–302	—	85	—
Changes in estimates that relate to losses and reversals of losses on onerous contracts	15	1	—	—	—	16
Total changes that relate to future services	**–253**	**58**	**–302**	**—**	**512**	**16**
Changes that relate to past services						
Adjustment to the liability for incurred claims	—	—	—	—	—	—
Total changes that relate to past services	**—**	**—**	**—**	**—**	**—**	**—**
Insurance service result	**–306**	**26**	**–450**	**—**	**299**	**–430**
Insurance finance income and expenses from insurance contracts issued	3,718	61	1	—	12	3,792
Effect of movements in exchange rates	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**3,412**	**88**	**–450**	**—**	**311**	**3,362**
Cash flows						
Premiums received	4,183	—	—	—	—	4,183
Claims and other insurance service expenses paid, including investment components	–4,703	—	—	—	—	–4,703
Insurance acquisition cash flows	–492	—	—	—	—	–492
Other cash flows	–1	—	—	—	—	–1
Total cash flows	**–1,013**	**—**	**—**	**—**	**—**	**–1,013**
Net closing balance	**52,602**	**505**	**2,199**	**—**	**801**	**56,106**
Carrying amount of assets as at the end of the reporting period	—	—	—	—	—	—
Carrying amount of liabilities as at the end of the reporting period	52,602	505	2,199	—	801	56,106

[1] The two segments Retail Germany – Property/Casualty and Retail Germany – Life were combined into a single Retail Germany segment for the purpose of standardised control based on the resolution of the Board of Management dated 7 October 2024..

Property/Casualty Reinsurance

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

	Liability for remaining coverage		Liability for incurred claims			
				Contracts measured under the PAA		
EUR million	Excluding loss component	Loss component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2024						
Carrying amount of assets as at the start of the reporting period	–112	–5	–37	—	—	–154
Carrying amount of liabilities as at the start of the reporting period	–2,221	65	37,421	—	—	35,265
Net opening balance	**–2,333**	**61**	**37,384**	**—**	**—**	**35,112**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Insurance revenue						
Contracts measured under the modified retrospective approach	–198	—	—	—	—	–198
Contracts measured under the fair value approach	–138	—	—	—	—	–138
Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	–18,329	—	—	—	—	–18,329
Total insurance revenue	**–18,665**	**—**	**—**	**—**	**—**	**–18,665**
Insurance service expenses						
Incurred claims and other insurance service expenses	—	–77	14,041	—	—	13,965
Amortisation of insurance acquisition cash flows	984	—	—	—	—	984
Losses and reversals of losses on onerous contracts	—	46	—	—	—	46
Adjustments to liability for incurred claims	—	—	–102	—	—	–102
Total insurance service expenses	**984**	**–31**	**13,940**	**—**	**—**	**14,893**
Investment components	–4,307	—	4,307	—	—	—
Insurance service result	**–21,987**	**–31**	**18,247**	**—**	**—**	**–3,771**
Net insurance financial result	707	5	787	—	—	1,499
Effect of movements in exchange rates	–11	1	1,163	—	—	1,153
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–21,291**	**–25**	**20,197**	**—**	**—**	**–1,119**
Cash flows						
Premiums received	22,130	—	—	—	—	22,130
Claims and other insurance service expenses paid, including investment components	—	—	–16,266	—	—	–16,266
Insurance acquisition cash flows	–870	—	—	—	—	–870
Other cash flows	—	—	—	—	—	—
Total cash flows	**21,260**	**—**	**–16,266**	**—**	**—**	**4,994**
Net closing balance	**–2,364**	**36**	**41,314**	**—**	**—**	**38,987**
Carrying amount of assets as at the end of the reporting period	–205	6	–433	—	—	–632
Carrying amount of liabilities as at the end of the reporting period	–2,159	30	41,747	—	—	39,618

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

EUR million	Liability for remaining coverage		Liability for incurred claims			Total
				Contracts measured under the PAA		
	Excluding loss component	Loss component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
2023						
Carrying amount of assets as at the start of the reporting period	–617	–57	356	—	—	–319
Carrying amount of liabilities as at the start of the reporting period	–2,395	233	34,572	—	—	32,409
Net opening balance	**–3,013**	**176**	**34,927**	**—**	**—**	**32,090**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Insurance revenue						
Contracts measured under the modified retrospective approach	–234	—	—	—	—	–234
Contracts measured under the fair value approach	30	—	—	—	—	30
Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	–16,620	—	—	—	—	–16,620
Total insurance revenue	**–16,824**	**—**	**—**	**—**	**—**	**–16,824**
Insurance service expenses						
Incurred claims and other insurance service expenses	4	–159	14,170	—	—	14,016
Amortisation of insurance acquisition cash flows	528	—	—	—	—	528
Losses and reversals of losses on onerous contracts	—	40	—	—	—	40
Adjustments to liability for incurred claims	—	—	–496	—	—	–496
Total insurance service expenses	**533**	**–118**	**13,674**	**—**	**—**	**14,088**
Investment components	–4,283	—	4,283	—	—	—
Insurance service result	**–20,574**	**–118**	**17,957**	**—**	**—**	**–2,736**
Net insurance financial result	470	5	1,353	—	—	1,829
Effect of movements in exchange rates	–36	–2	–735	—	—	–773
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–20,140**	**–115**	**18,575**	**—**	**—**	**–1,680**
Cash flows						
Premiums received	21,341	—	—	—	—	21,341
Claims and other insurance service expenses paid, including investment components	—	—	–16,118	—	—	–16,118
Insurance acquisition cash flows	–522	—	—	—	—	–522
Other cash flows	—	—	—	—	—	—
Total cash flows	**20,820**	**—**	**–16,118**	**—**	**—**	**4,702**
Net closing balance	**–2,333**	**61**	**37,384**	**—**	**—**	**35,112**
Carrying amount of assets as at the end of the reporting period	–112	–5	–37	—	—	–154
Carrying amount of liabilities as at the end of the reporting period	–2,221	65	37,421	—	—	35,265

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

			Contractual service margin			
EUR million	Estimated present value of future cash flows	Risk adjustment for non-financial risk	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	Total
2024						
Carrying amount of assets as at the start of the reporting period	–165	6	—	—	5	–154
Carrying amount of liabilities as at the start of the reporting period	32,547	903	22	54	1,739	35,265
Net opening balance	**32,382**	**909**	**22**	**54**	**1,745**	**35,112**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Changes that relate to current services						
CSM recognised for services provided	—	—	–52	–283	–3,881	–4,216
Changes in risk adjustment for non-financial risk for the risk expired	—	–65	—	—	—	–65
Experience adjustments	565	—	—	—	—	565
Total changes that relate to current services	**565**	**–65**	**–52**	**–283**	**–3,881**	**–3,716**
Changes that relate to future services						
Contracts initially recognised in the period	–4,211	266	—	—	3,987	42
Changes in estimates that adjust the CSM	–357	20	42	283	11	—
Changes in estimates that relate to losses and reversals of losses on onerous contracts	–7	12	—	—	—	5
Total changes that relate to future services	**–4,575**	**298**	**42**	**283**	**3,998**	**46**
Changes that relate to past services						
Adjustment to the liability for incurred claims	38	–140	—	—	—	–102
Total changes that relate to past services	**38**	**–140**	**—**	**—**	**—**	**–102**
Insurance service result	**–3,972**	**93**	**–9**	**—**	**117**	**–3,771**
Insurance finance income and expenses from insurance contracts issued	1,340	—	—	1	158	1,499
Effect of movements in exchange rates	1,051	32	—	—	69	1,153
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–1,581**	**125**	**–9**	**1**	**344**	**–1,119**
Cash flows						
Premiums received	22,130	—	—	—	—	22,130
Claims and other insurance service expenses paid, including investment components	–16,266	—	—	—	—	–16,266
Insurance acquisition cash flows	–870	—	—	—	—	–870
Other cash flows	—	—	—	—	—	—
Total cash flows	**4,994**	**—**	**—**	**—**	**—**	**4,994**
Net closing balance	**35,795**	**1,034**	**13**	**56**	**2,089**	**38,987**
Carrying amount of assets as at the end of the reporting period	–614	1	1	1	–21	–632
Carrying amount of liabilities as at the end of the reporting period	36,409	1,033	13	55	2,109	39,618

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: Contracts measured under the modified retrospective approach	Contractual service margin: Contracts measured under the fair value approach	Contractual service margin: Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	Total
2023						
Carrying amount of assets as at the start of the reporting period	–139	16	—	—	–196	–319
Carrying amount of liabilities as at the start of the reporting period	30,349	730	18	31	1,281	32,409
Net opening balance	**30,210**	**746**	**19**	**31**	**1,084**	**32,090**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Changes that relate to current services						
CSM recognised for services provided	—	—	–89	–173	–2,458	–2,720
Changes in risk adjustment for non-financial risk for the risk expired	—	150	—	—	—	150
Experience adjustments	286	—	—	—	—	286
Total changes that relate to current services	**286**	**150**	**–89**	**–173**	**–2,458**	**–2,284**
Changes that relate to future services						
Contracts initially recognised in the period	–3,559	275	—	—	3,324	40
Changes in estimates that adjust the CSM	–69	60	92	196	–274	4
Changes in estimates that relate to losses and reversals of losses on onerous contracts	—	—	—	—	—	—
Total changes that relate to future services	**–3,628**	**335**	**92**	**196**	**3,050**	**45**
Changes that relate to past services						
Adjustment to the liability for incurred claims	–195	–301	—	—	—	–496
Total changes that relate to past services	**–195**	**–301**	**—**	**—**	**—**	**–496**
Insurance service result	**–3,537**	**184**	**3**	**23**	**592**	**–2,736**
Insurance finance income and expenses from insurance contracts issued	1,716	—	—	—	113	1,829
Effect of movements in exchange rates	–708	–21	—	—	–44	–773
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–2,530**	**163**	**3**	**23**	**660**	**–1,680**
Cash flows						
Premiums received	21,341	—	—	—	—	21,341
Claims and other insurance service expenses paid, including investment components	–16,118	—	—	—	—	–16,118
Insurance acquisition cash flows	–522	—	—	—	—	–522
Other cash flows	—	—	—	—	—	—
Total cash flows	**4,702**	**—**	**—**	**—**	**—**	**4,702**
Net closing balance	**32,382**	**909**	**22**	**54**	**1,745**	**35,112**
Carrying amount of assets as at the end of the reporting period	–165	6	—	—	5	–154
Carrying amount of liabilities as at the end of the reporting period	32,547	903	22	54	1,739	35,265

Life/Health Reinsurance

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

	Liability for remaining coverage		Liability for incurred claims			
				Contracts measured under the PAA		
EUR million	Excluding loss component	Loss component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2024						
Carrying amount of assets as at the start of the reporting period	−1,283	7	410	—	—	−866
Carrying amount of liabilities as at the start of the reporting period	−260	440	8,793	—	—	8,974
Net opening balance	**−1,542**	**447**	**9,203**	**—**	**—**	**8,108**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Insurance revenue						
Contracts measured under the modified retrospective approach	−2,076	—	—	—	—	−2,076
Contracts measured under the fair value approach	−4,723	—	—	—	—	−4,723
Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	−916	—	—	—	—	−916
Total insurance revenue	**−7,715**	**—**	**—**	**—**	**—**	**−7,715**
Insurance service expenses						
Incurred claims and other insurance service expenses	—	−107	6,408	—	—	6,301
Amortisation of insurance acquisition cash flows	22	—	—	—	—	22
Losses and reversals of losses on onerous contracts	—	435	—	—	—	435
Adjustments to liability for incurred claims	—	—	47	—	—	47
Total insurance service expenses	**22**	**328**	**6,455**	**—**	**—**	**6,805**
Investment components	−1,642	—	1,642	—	—	—
Insurance service result	**−9,334**	**328**	**8,097**	**—**	**—**	**−910**
Net insurance financial result	222	11	40	—	—	274
Effect of movements in exchange rates	−18	13	187	—	—	182
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**−9,130**	**352**	**8,324**	**—**	**—**	**−453**
Cash flows						
Premiums received	9,268	—	—	—	—	9,268
Claims and other insurance service expenses paid, including investment components	—	—	−8,463	—	—	−8,463
Insurance acquisition cash flows	−34	—	—	—	—	−34
Other cash flows	—	—	—	—	—	—
Total cash flows	**9,233**	**—**	**−8,463**	**—**	**—**	**771**
Net closing balance	**−1,439**	**799**	**9,064**	**—**	**—**	**8,425**
Carrying amount of assets as at the end of the reporting period	−1,212	13	325	—	—	−874
Carrying amount of liabilities as at the end of the reporting period	−227	787	8,740	—	—	9,299

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

	Liability for remaining coverage		Liability for incurred claims			
				Contracts measured under the PAA		
EUR million	Excluding loss component	Loss component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2023						
Carrying amount of assets as at the start of the reporting period	–1,587	11	447	—	—	–1,129
Carrying amount of liabilities as at the start of the reporting period	704	302	8,354	—	—	9,360
Net opening balance	**–883**	**313**	**8,800**	**—**	**—**	**8,230**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Insurance revenue						
Contracts measured under the modified retrospective approach	–2,104	—	—	—	—	–2,104
Contracts measured under the fair value approach	–5,140	—	—	—	—	–5,140
Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	–389	—	—	—	—	–389
Total insurance revenue	**–7,633**	**—**	**—**	**—**	**—**	**–7,633**
Insurance service expenses						
Incurred claims and other insurance service expenses	—	–123	6,463	—	—	6,340
Amortisation of insurance acquisition cash flows	17	—	—	—	—	17
Losses and reversals of losses on onerous contracts	—	266	—	—	—	266
Adjustments to liability for incurred claims	—	—	90	—	—	90
Total insurance service expenses	**18**	**143**	**6,553**	**—**	**—**	**6,714**
Investment components	–1,571	—	1,571	—	—	—
Insurance service result	**–9,186**	**143**	**8,124**	**—**	**—**	**–919**
Net insurance financial result	235	7	64	—	—	306
Effect of movements in exchange rates	52	–16	–217	—	—	–181
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–8,899**	**134**	**7,971**	**—**	**—**	**–793**
Cash flows						
Premiums received	8,279	—	—	—	—	8,279
Claims and other insurance service expenses paid, including investment components	—	—	–7,569	—	—	–7,569
Insurance acquisition cash flows	–39	—	—	—	—	–39
Other cash flows	—	—	—	—	—	—
Total cash flows	**8,240**	**—**	**–7,569**	**—**	**—**	**671**
Net closing balance	**–1,542**	**447**	**9,203**	**—**	**—**	**8,108**
Carrying amount of assets as at the end of the reporting period	–1,283	7	410	—	—	–866
Carrying amount of liabilities as at the end of the reporting period	–260	440	8,793	—	—	8,974

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

			Contractual service margin			
EUR million	Estimated present value of future cash flows	Risk adjustment for non-financial risk	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	Total
2024						
Carrying amount of assets as at the start of the reporting period	–2,158	108	321	385	479	–866
Carrying amount of liabilities as at the start of the reporting period	1,017	2,919	2,063	2,401	573	8,974
Net opening balance	**–1,141**	**3,027**	**2,384**	**2,786**	**1,051**	**8,108**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Changes that relate to current services						
CSM recognised for services provided	—	—	–180	–329	–398	–908
Changes in risk adjustment for non-financial risk for the risk expired	—	–243	—	—	—	–243
Experience adjustments	–240	—	—	—	—	–240
Total changes that relate to current services	**–240**	**–243**	**–180**	**–329**	**–398**	**–1,391**
Changes that relate to future services						
Contracts initially recognised in the period	–384	67	—	—	323	6
Changes in estimates that adjust the CSM	–869	116	226	205	322	—
Changes in estimates that relate to losses and reversals of losses on onerous contracts	347	82	—	—	—	429
Total changes that relate to future services	**–906**	**265**	**226**	**205**	**645**	**435**
Changes that relate to past services						
Adjustment to the liability for incurred claims	54	–8	—	—	—	47
Total changes that relate to past services	**54**	**–8**	**—**	**—**	**—**	**47**
Insurance service result	**–1,092**	**14**	**45**	**–124**	**247**	**–910**
Insurance finance income and expenses from insurance contracts issued	87	1	82	62	41	274
Effect of movements in exchange rates	–174	109	77	125	46	182
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–1,179**	**124**	**205**	**63**	**334**	**–453**
Cash flows						
Premiums received	9,268	—	—	—	—	9,268
Claims and other insurance service expenses paid, including investment components	–8,463	—	—	—	—	–8,463
Insurance acquisition cash flows	–34	—	—	—	—	–34
Other cash flows	—	—	—	—	—	—
Total cash flows	**771**	**—**	**—**	**—**	**—**	**771**
Net closing balance	**–1,549**	**3,151**	**2,589**	**2,849**	**1,385**	**8,425**
Carrying amount of assets as at the end of the reporting period	–1,810	49	107	242	538	–874
Carrying amount of liabilities as at the end of the reporting period	261	3,102	2,482	2,607	847	9,299

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

			Contractual service margin			
EUR million	Estimated present value of future cash flows	Risk adjustment for non-financial risk	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	Total
2023						
Carrying amount of assets as at the start of the reporting period	–2,434	108	356	425	417	–1,129
Carrying amount of liabilities as at the start of the reporting period	1,858	3,055	1,474	2,482	491	9,360
Net opening balance	**–576**	**3,163**	**1,830**	**2,906**	**908**	**8,230**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Changes that relate to current services						
CSM recognised for services provided	—	—	–167	–409	–308	–884
Changes in risk adjustment for non-financial risk for the risk expired	—	–460	—	—	—	–460
Experience adjustments	69	—	—	—	—	69
Total changes that relate to current services	**69**	**–460**	**–167**	**–409**	**–308**	**–1,275**
Changes that relate to future services						
Contracts initially recognised in the period	–427	75	—	—	366	14
Changes in estimates that adjust the CSM	–960	–104	669	322	73	—
Changes in estimates that relate to losses and reversals of losses on onerous contracts	78	174	—	—	—	252
Total changes that relate to future services	**–1,309**	**145**	**669**	**322**	**439**	**266**
Changes that relate to past services						
Adjustment to the liability for incurred claims	94	–4	—	—	—	90
Total changes that relate to past services	**94**	**–4**	**—**	**—**	**—**	**90**
Insurance service result	**–1,146**	**–320**	**502**	**–87**	**131**	**–919**
Insurance finance income and expenses from insurance contracts issued	–99	258	62	55	30	306
Effect of movements in exchange rates	9	–74	–10	–88	–18	–181
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–1,235**	**–136**	**554**	**–120**	**143**	**–793**
Cash flows						
Premiums received	8,279	—	—	—	—	8,279
Claims and other insurance service expenses paid, including investment components	–7,569	—	—	—	—	–7,569
Insurance acquisition cash flows	–39	—	—	—	—	–39
Other cash flows	—	—	—	—	—	—
Total cash flows	**671**	**—**	**—**	**—**	**—**	**671**
Net closing balance	**–1,141**	**3,027**	**2,384**	**2,786**	**1,051**	**8,108**
Carrying amount of assets as at the end of the reporting period	–2,158	108	321	385	479	–866
Carrying amount of liabilities as at the end of the reporting period	1,017	2,919	2,063	2,401	573	8,974

Group Operations

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

EUR million	Liability for remaining coverage		Liability for incurred claims			
				Contracts measured under the PAA		
	Excluding loss component	Loss component	Contracts not measured under the PAA	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
2024						
Carrying amount of assets as at the start of the reporting period	—	—	—	—	—	—
Carrying amount of liabilities as at the start of the reporting period	–50	83	2,726	—	—	2,759
Net opening balance	**–50**	**83**	**2,726**	**—**	**—**	**2,759**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Insurance revenue						
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	–1,123	—	—	—	—	–1,123
Total insurance revenue	**–1,123**	**—**	**—**	**—**	**—**	**–1,123**
Insurance service expenses						
Incurred claims and other insurance service expenses	—	–107	845	—	—	739
Amortisation of insurance acquisition cash flows	3	—	—	—	—	3
Losses and reversals of losses on onerous contracts	—	112	—	—	—	112
Adjustments to liability for incurred claims	—	—	–69	—	—	–69
Total insurance service expenses	**3**	**5**	**776**	**—**	**—**	**785**
Investment components	–21	—	21	—	—	—
Insurance service result	**–1,140**	**5**	**797**	**—**	**—**	**–338**
Net insurance financial result	–10	2	85	—	—	76
Effect of movements in exchange rates	–3	1	3	—	—	2
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–1,154**	**9**	**885**	**—**	**—**	**–260**
Cash flows						
Premiums received	1,213	—	—	—	—	1,213
Claims and other insurance service expenses paid, including investment components	—	—	–556	—	—	–556
Insurance acquisition cash flows	—	—	—	—	—	—
Other cash flows	—	—	—	—	—	—
Total cash flows	**1,213**	**—**	**–556**	**—**	**—**	**656**
Net closing balance	**9**	**92**	**3,055**	**—**	**—**	**3,156**
Carrying amount of assets as at the end of the reporting period	—	—	—	—	—	—
Carrying amount of liabilities as at the end of the reporting period	9	92	3,055	—	—	3,156

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

EUR million	Liability for remaining coverage: Excluding loss component	Liability for remaining coverage: Loss component	Liability for incurred claims: Contracts not measured under the PAA	Liability for incurred claims: Contracts measured under the PAA: Estimates of present value of future cash flows	Liability for incurred claims: Contracts measured under the PAA: Risk adjustment for non-financial risk	Total
2023						
Carrying amount of assets as at the start of the reporting period	—	—	—	—	—	—
Carrying amount of liabilities as at the start of the reporting period	–90	113	2,264	—	—	2,288
Net opening balance	**–90**	**113**	**2,264**	**—**	**—**	**2,288**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Insurance revenue						
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	–965	—	—	—	—	–965
Total insurance revenue	**–965**	**—**	**—**	**—**	**—**	**–965**
Insurance service expenses						
Incurred claims and other insurance service expenses	—	–90	865	—	—	775
Amortisation of insurance acquisition cash flows	2	—	—	—	—	2
Losses and reversals of losses on onerous contracts	—	57	—	—	—	57
Adjustments to liability for incurred claims	—	—	66	—	—	66
Total insurance service expenses	**2**	**–33**	**931**	**—**	**—**	**900**
Investment components	–22	—	22	—	—	—
Insurance service result	**–984**	**–33**	**953**	**—**	**—**	**–64**
Net insurance financial result	17	3	47	—	—	67
Effect of movements in exchange rates	3	—	–8	—	—	–5
Other changes	–77	—	77	—	—	—
Total changes in the statement of income and other comprehensive income	**–1,041**	**–30**	**1,069**	**—**	**—**	**–3**
Cash flows						
Premiums received	1,081	—	—	—	—	1,081
Claims and other insurance service expenses paid, including investment components	—	—	–607	—	—	–607
Insurance acquisition cash flows	—	—	—	—	—	—
Other cash flows	—	—	—	—	—	—
Total cash flows	**1,081**	**—**	**–607**	**—**	**—**	**474**
Net closing balance	**–50**	**83**	**2,726**	**—**	**—**	**2,759**
Carrying amount of assets as at the end of the reporting period	—	—	—	—	—	—
Carrying amount of liabilities as at the end of the reporting period	–50	83	2,726	—	—	2,759

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

			Contractual service margin			
EUR million	Estimated present value of future cash flows	Risk adjustment for non-financial risk	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	Total
2024						
Carrying amount of assets as at the start of the reporting period	—	—	—	—	—	—
Carrying amount of liabilities as at the start of the reporting period	2,394	275	—	—	90	2,759
Net opening balance	**2,394**	**275**	**—**	**—**	**90**	**2,759**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Changes that relate to current services						
CSM recognised for services provided	—	—	—	—	–281	–281
Changes in risk adjustment for non-financial risk for the risk expired	—	–74	—	—	—	–74
Experience adjustments	–25	—	—	—	—	–25
Total changes that relate to current services	**–25**	**–74**	**—**	**—**	**–281**	**–381**
Changes that relate to future services						
Contracts initially recognised in the period	–309	145	—	—	246	81
Changes in estimates that adjust the CSM	–45	1	—	—	45	—
Changes in estimates that relate to losses and reversals of losses on onerous contracts	52	–21	—	—	—	30
Total changes that relate to future services	**–303**	**124**	**—**	**—**	**291**	**112**
Changes that relate to past services						
Adjustment to the liability for incurred claims	–69	—	—	—	—	–69
Total changes that relate to past services	**–69**	**—**	**—**	**—**	**—**	**–69**
Insurance service result	**–398**	**50**	**—**	**—**	**9**	**–338**
Insurance finance income and expenses from insurance contracts issued	72	—	—	—	5	76
Effect of movements in exchange rates	4	–1	—	—	–1	2
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–322**	**49**	**—**	**—**	**13**	**–260**
Cash flows						
Premiums received	1,213	—	—	—	—	1,213
Claims and other insurance service expenses paid, including investment components	–556	—	—	—	—	–556
Insurance acquisition cash flows	—	—	—	—	—	—
Other cash flows	—	—	—	—	—	—
Total cash flows	**656**	**—**	**—**	**—**	**—**	**656**
Net closing balance	**2,728**	**324**	**—**	**—**	**103**	**3,156**
Carrying amount of assets as at the end of the reporting period	—	—	—	—	—	—
Carrying amount of liabilities as at the end of the reporting period	2,728	324	—	—	103	3,156

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

			Contractual service margin			
EUR million	Estimated present value of future cash flows	Risk adjustment for non-financial risk	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	Total
2023						
Carrying amount of assets as at the start of the reporting period	—	—	—	—	—	—
Carrying amount of liabilities as at the start of the reporting period	2,001	224	—	—	64	2,288
Net opening balance	**2,001**	**224**	**—**	**—**	**64**	**2,288**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	—	—	—	—	—	—
Disposal groups in accordance with IFRS 5	—	—	—	—	—	—
Other changes	—	—	—	—	—	—
Changes in the statement of income and other comprehensive income						
Changes that relate to current services						
CSM recognised for services provided	—	—	—	—	–230	–230
Changes in risk adjustment for non-financial risk for the risk expired	—	–57	—	—	—	–57
Experience adjustments	100	—	—	—	—	100
Total changes that relate to current services	**100**	**–57**	**—**	**—**	**–230**	**–187**
Changes that relate to future services						
Contracts initially recognised in the period	–223	105	—	—	153	35
Changes in estimates that adjust the CSM	–103	3	—	—	100	—
Changes in estimates that relate to losses and reversals of losses on onerous contracts	22	—	—	—	—	22
Total changes that relate to future services	**–304**	**108**	**—**	**—**	**253**	**57**
Changes that relate to past services						
Adjustment to the liability for incurred claims	66	—	—	—	—	66
Total changes that relate to past services	**66**	**—**	**—**	**—**	**—**	**66**
Insurance service result	**–139**	**51**	**—**	**—**	**23**	**–64**
Insurance finance income and expenses from insurance contracts issued	63	—	—	—	3	67
Effect of movements in exchange rates	–5	—	—	—	—	–5
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–80**	**51**	**—**	**—**	**26**	**–3**
Cash flows						
Premiums received	1,081	—	—	—	—	1,081
Claims and other insurance service expenses paid, including investment components	–607	—	—	—	—	–607
Insurance acquisition cash flows	—	—	—	—	—	—
Other cash flows	—	—	—	—	—	—
Total cash flows	**474**	**—**	**—**	**—**	**—**	**474**
Net closing balance	**2,394**	**275**	**—**	**—**	**90**	**2,759**
Carrying amount of assets as at the end of the reporting period	—	—	—	—	—	—
Carrying amount of liabilities as at the end of the reporting period	2,394	275	—	—	90	2,759

Talanx Group

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

EUR million	Liability for remaining coverage: Excluding loss component	Liability for remaining coverage: Loss component	Liability for incurred claims: Contracts not measured under the PAA	Liability for incurred claims: Contracts measured under the PAA: Estimates of present value of future cash flows	Liability for incurred claims: Contracts measured under the PAA: Risk adjustment for non-financial risk	Total
2024						
Carrying amount of assets as at the start of the reporting period	–1,458	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	**59,480**	**786**	**46,232**	**21,860**	**875**	**129,232**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	254	60	1	–30	–2	283
Disposal groups in accordance with IFRS 5	—	—	—	3	—	3
Other changes	1	—	—	—	—	1
Changes in the statement of income and other comprehensive income						
Insurance revenue						
Contracts measured under the modified retrospective approach	–3,284	—	—	—	—	–3,284
Contracts measured under the fair value approach	–4,894	—	—	—	—	–4,894
Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	–39,973	—	—	—	—	–39,973
Total insurance revenue	**–48,150**	**—**	**—**	**—**	**—**	**–48,150**
Insurance service expenses						
Incurred claims and other insurance service expenses	—	–405	22,455	12,006	132	34,187
Amortisation of insurance acquisition cash flows	5,130	—	—	—	—	5,130
Losses and reversals of losses on onerous contracts	—	724	—	—	—	724
Adjustments to liability for incurred claims	—	—	–282	353	–129	–57
Total insurance service expenses	**5,130**	**319**	**22,173**	**12,359**	**3**	**39,984**
Investment components	–11,226	—	11,217	9	—	—
Insurance service result	**–54,246**	**319**	**33,390**	**12,369**	**3**	**–8,166**
Net insurance financial result	4,372	26	742	687	7	5,834
Effect of movements in exchange rates	–15	6	1,243	12	4	1,250
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–49,890**	**351**	**35,375**	**13,068**	**13**	**–1,082**
Cash flows						
Premiums received	56,422	—	—	—	—	56,422
Claims and other insurance service expenses paid, including investment components	—	—	–31,393	–10,999	—	–42,392
Insurance acquisition cash flows	–4,748	—	—	—	—	–4,748
Other cash flows	—	—	—	—	—	—
Total cash flows	**51,674**	**—**	**–31,393**	**–10,999**	**—**	**9,282**
Net closing balance	**61,518**	**1,197**	**50,216**	**23,902**	**886**	**137,719**
Carrying amount of assets as at the end of the reporting period	–1,517	15	–160	64	2	–1,596
Carrying amount of liabilities as at the end of the reporting period	63,035	1,182	50,375	23,838	884	139,315

ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS

EUR million	Liability for remaining coverage: Excluding loss component	Liability for remaining coverage: Loss component	Liability for incurred claims: Contracts not measured under the PAA	Liability for incurred claims: Contracts measured under the PAA: Estimates of present value of future cash flows	Liability for incurred claims: Contracts measured under the PAA: Risk adjustment for non-financial risk	Total
2023						
Carrying amount of assets as at the start of the reporting period	–2,141	–45	751	1	2	–1,432
Carrying amount of liabilities as at the start of the reporting period	59,576	786	41,690	19,695	859	122,606
Net opening balance	**57,435**	**741**	**42,441**	**19,696**	**860**	**121,174**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	210	–2	18	–8	–1	217
Disposal groups in accordance with IFRS 5	378	2	6	32	1	419
Other changes	3	—	1	—	—	4
Changes in the statement of income and other comprehensive income						
Insurance revenue						
Contracts measured under the modified retrospective approach	–3,224	—	—	—	—	–3,224
Contracts measured under the fair value approach	–5,119	—	—	—	—	–5,119
Contracts measured under the full retrospective approach and contracts after transition to IFRS 17	–34,895	—	—	—	—	–34,895
Total insurance revenue	**–43,237**	**—**	**—**	**—**	**—**	**–43,237**
Insurance service expenses						
Incurred claims and other insurance service expenses	8	571	22,090	10,707	113	33,489
Amortisation of insurance acquisition cash flows	4,141	—	—	—	—	4,141
Losses and reversals of losses on onerous contracts	—	–512	—	—	—	–512
Adjustments to liability for incurred claims	—	—	–376	398	–81	–59
Total insurance service expenses	**4,148**	**59**	**21,714**	**11,105**	**32**	**37,059**
Investment components	–11,667	—	11,657	10	—	—
Insurance service result	**–50,756**	**59**	**33,371**	**11,115**	**32**	**–6,179**
Net insurance financial result	5,022	20	1,315	934	2	7,293
Effect of movements in exchange rates	235	–34	–865	–385	–20	–1,069
Other changes	64	—	–2	–63	—	–2
Total changes in the statement of income and other comprehensive income	**–45,435**	**45**	**33,819**	**11,601**	**14**	**43**
Cash flows						
Premiums received	50,754	—	—	—	—	50,754
Claims and other insurance service expenses paid, including investment components	—	—	–30,053	–9,462	—	–39,515
Insurance acquisition cash flows	–3,863	—	—	—	—	–3,863
Other cash flows	–1	—	—	—	—	–1
Total cash flows	**46,890**	**—**	**–30,053**	**–9,462**	**—**	**7,375**
Net closing balance	**59,480**	**786**	**46,232**	**21,860**	**875**	**129,232**
Carrying amount of assets as at the end of the reporting period	–1,458	3	365	55	3	–1,032
Carrying amount of liabilities as at the end of the reporting period	60,938	782	45,867	21,805	872	130,264

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

			Contractual service margin			
EUR million	Estimated present value of future cash flows	Risk adjustment for non-financial risk	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	Total
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	–8	—	—	–13	–14
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	—	—	–362	–620	–4,620	–5,602
Changes in risk adjustment for non-financial risk for the risk expired	—	–421	—	—	—	–421
Experience adjustments	591	—	—	—	—	591
Total changes that relate to current services	**591**	**–421**	**–362**	**–620**	**–4,620**	**–5,432**
Changes that relate to future services						
Contracts initially recognised in the period	–5,289	451	—	—	4,920	81
Changes in estimates that adjust the CSM	–1,239	30	517	460	232	—
Changes in estimates that relate to losses and reversals of losses on onerous contracts	280	68	—	—	—	348
Total changes that relate to future services	**–6,248**	**548**	**517**	**460**	**5,152**	**429**
Changes that relate to past services						
Adjustment to the liability for incurred claims	–127	–155	—	—	—	–282
Total changes that relate to past services	**–127**	**–155**	**—**	**—**	**—**	**–282**
Insurance service result	**–5,784**	**–28**	**155**	**–161**	**533**	**–5,285**
Insurance finance income and expenses from insurance contracts issued	4,698	8	79	63	221	5,069
Effect of movements in exchange rates	768	129	77	125	84	1,183
Other changes	—	—	—	—	—	—
Total changes in the statement of income and other comprehensive income	**–319**	**109**	**311**	**27**	**838**	**966**
Cash flows						
Premiums received	37,477	—	—	—	—	37,477
Claims and other insurance service expenses paid, including investment components	–31,393	—	—	—	—	–31,393
Insurance acquisition cash flows	–1,942	—	—	—	—	–1,942
Other cash flows	—	—	—	—	—	—
Total cash flows	**4,142**	**—**	**—**	**—**	**—**	**4,142**
Net closing balance	**91,227**	**4,923**	**4,842**	**3,009**	**4,735**	**108,735**
Carrying amount of assets as at the end of the reporting period	–2,385	52	81	240	533	–1,478
Carrying amount of liabilities as at the end of the reporting period	93,612	4,870	4,760	2,769	4,202	110,214

ANALYSIS BY MEASUREMENT COMPONENT – CONTRACTS NOT MEASURED UNDER THE PAA

			Contractual service margin			
EUR million	Estimated present value of future cash flows	Risk adjustment for non-financial risk	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	Total
2023						
Carrying amount of assets as at the start of the reporting period	–2,484	123	331	423	239	–1,369
Carrying amount of liabilities as at the start of the reporting period	85,885	4,429	4,095	2,810	2,339	99,558
Net opening balance	**83,401**	**4,552**	**4,426**	**3,233**	**2,578**	**98,189**
IAS 8 adjustments	—	—	—	—	—	—
Changes in the basis of consolidation	55	63	—	—	116	234
Disposal groups in accordance with IFRS 5	314	13	—	—	51	378
Other changes	3	—	—	—	—	4
Changes in the statement of income and other comprehensive income						
Changes that relate to current services						
CSM recognised for services provided	—	—	–368	–483	–2,908	–3,758
Changes in risk adjustment for non-financial risk for the risk expired	—	–377	—	—	—	–377
Experience adjustments	990	—	—	—	—	990
Total changes that relate to current services	**991**	**–377**	**–368**	**–483**	**–2,908**	**–3,145**
Changes that relate to future services						
Contracts initially recognised in the period	–4,547	470	—	—	4,167	90
Changes in estimates that adjust the CSM	–481	–1	424	265	–205	2
Changes in estimates that relate to losses and reversals of losses on onerous contracts	–728	168	—	—	—	–561
Total changes that relate to future services	**–5,757**	**637**	**424**	**265**	**3,962**	**–469**
Changes that relate to past services						
Adjustment to the liability for incurred claims	–76	–300	—	—	—	–376
Total changes that relate to past services	**–76**	**–300**	**—**	**—**	**—**	**–376**
Insurance service result	**–4,841**	**–40**	**56**	**–218**	**1,054**	**–3,989**
Insurance finance income and expenses from insurance contracts issued	5,713	321	59	55	160	6,307
Effect of movements in exchange rates	–577	–86	–10	–88	–49	–810
Other changes	–1	—	—	—	—	–2
Total changes in the statement of income and other comprehensive income	**294**	**194**	**105**	**–251**	**1,165**	**1,507**
Cash flows						
Premiums received	34,786	—	—	—	—	34,786
Claims and other insurance service expenses paid, including investment components	–30,053	—	—	—	—	–30,053
Insurance acquisition cash flows	–1,402	—	—	—	—	–1,402
Other cash flows	–1	—	—	—	—	–1
Total cash flows	**3,329**	**—**	**—**	**—**	**—**	**3,329**
Net closing balance	**87,395**	**4,822**	**4,530**	**2,982**	**3,911**	**103,640**
Carrying amount of assets as at the end of the reporting period	–2,244	115	297	383	499	–951
Carrying amount of liabilities as at the end of the reporting period	89,639	4,708	4,233	2,599	3,412	104,591

New business analysis – contracts not measured under the PAA

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

EUR million	Corporate & Specialty		Retail International	
	Profitable contracts issued	Onerous contracts issued	Profitable contracts issued	Onerous contracts issued
2024				
Insurance acquisition cash flows	—	—	196	1
Claims and other insurance service expenses payable	—	—	1,460	260
Estimates of present value of future cash outflows	—	—	1,656	261
Estimates of present value of future cash inflows	—	—	–2,099	–245
Risk adjustment for non-financial risk	—	—	97	7
Contractual service margin [1]	—	—	347	—
Losses recognised on initial recognition [2]	**—**	**—**	**—**	**22**
2023				
Insurance acquisition cash flows	—	—	270	7
Claims and other insurance service expenses payable	—	—	801	294
Estimates of present value of future cash outflows	—	—	1,071	302
Estimates of present value of future cash inflows	—	—	–1,300	–327
Risk adjustment for non-financial risk	—	—	53	36
Contractual service margin [1]	—	—	176	—
Losses recognised on initial recognition [2]	**—**	**—**	**—**	**11**

[1] Of which EUR 109 (75) million relate to the life business in the Retail International segment and EUR 343 (368) million relate to the life business in the Retail Germany segment.
[2] Of which EUR 14 (8) million relate to the life business in the Retail International segment and EUR 0 (0) million relate to the life business in the Retail Germany segment.
[3] The two segments Retail Germany – Property/Casualty and Retail Germany – Life were combined into a single Retail Germany segment for the purpose of standardised control based on the resolution of the Board of Management dated 7 October 2024.

There were no cash inflows or outflows from business combinations arising from new business in the reporting period. In the previous year, new business resulted in cash inflows of EUR 618 million and cash outflows of EUR 970 million (Retail International segment). The risk adjustment for non-financial risks amounted to EUR 75 million, the contractual service margin to EUR 173 million. The presentation of the insurance contracts issued as part of a business combination accounts only for the cash flows expected after the date of initial consolidation at the time of initial consolidation. Cash flows from the purchase price included in the calculation of the acquired contractual service margin are not shown here.

Contractual service margin

CONTRACTUAL SERVICE MARGIN DURATIONS

EUR million	Corporate & Specialty		Retail International	
	31.12.2024	31.12.2023	**31.12.2024**	31.12.2023
Expected recognition within 1 year	—	—	291	269
More than 1 year but less than 2 years	—	—	32	52
More than 2 years but less than 3 years	—	—	26	27
More than 3 years but less than 4 years	—	—	20	12
More than 4 years but less than 5 years	—	—	17	6
More than 5 years but less than 10 years	—	—	48	24
More than 10 years	—	—	42	144
Time value of money	—	—	–3	–5
Total	**—**	**—**	**471**	**529**

[1] The two segments Retail Germany – Property/Casualty and Retail Germany – Life were combined into a single Retail Germany segment for the purpose of standardised control based on the resolution of the Board of Management dated 7 October 2024.

Retail Germany[3]		Property/Casualty Reinsurance		Life/Health Reinsurance		Group Operations		Consolidation		Total	
Profitable contracts issued	Onerous contracts issued	Profitable contracts issued	Onerous contracts issued	Profitable contracts issued	Onerous contracts issued	Profitable contracts issued	Onerous contracts issued	Profitable contracts issued	Onerous contracts issued	Profitable contracts issued	Onerous contracts issued
467	—	922	8	22	—	2	1	−12	−1	1,597	9
3,006	—	17,065	394	2,722	17	559	380	−1,213	−471	23,599	579
3,473	—	17,987	402	2,744	17	562	381	−1,225	−472	25,197	589
−3,887	—	−22,237	−363	−3,133	−11	−879	−373	1,679	475	−30,556	−518
19	—	263	3	66	1	71	74	−76	−73	440	11
395	—	3,987	—	323	—	246	—	−378	—	4,920	—
—	**—**	**—**	**42**	**—**	**6**	**—**	**81**	**—**	**−71**	**—**	**81**
475	—	789	6	19	—	1	—	−17	—	1,537	13
2,470	—	14,258	310	2,702	28	642	109	−1,257	−32	19,617	709
2,945	—	15,047	316	2,721	28	643	109	−1,280	−27	21,148	728
−3,393	—	−18,643	−279	−3,162	−14	−873	−102	1,647	23	−25,724	−699
21	—	272	3	75	—	77	28	−89	−6	409	61
428	—	3,324	—	366	—	153	—	−279	—	4,167	—
—	**—**	**—**	**40**	**—**	**14**	**—**	**35**	**—**	**−10**	**—**	**90**

Retail Germany[1]		Property/Casualty Reinsurance		Life/Health Reinsurance		Group Operations		Consolidation		Total	
31.12.2024	31.12.2023	**31.12.2024**	31.12.2023	**31.12.2024**	31.12.2023	**31.12.2024**	31.12.2023	**31.12.2024**	31.12.2023	**31.12.2024**	31.12.2023
316	255	1,906	1,566	715	632	87	75	−230	−145	3,084	2,652
247	216	217	297	549	495	11	11	−23	−30	1,033	1,040
199	175	46	44	471	434	3	4	−12	−15	733	670
167	146	25	13	450	407	2	—	−11	−9	653	570
144	124	13	7	433	393	—	—	−8	−8	599	522
528	463	26	6	1,829	1,728	—	—	−30	−30	2,402	2,192
1,796	1,646	8	2	6,035	5,397	—	—	−39	−42	7,841	7,146
−55	−27	−84	−113	−3,658	−3,265	—	—	41	42	−3,761	−3,369
3,342	**2,999**	**2,157**	**1,821**	**6,823**	**6,222**	**103**	**90**	**−312**	**−238**	**12,585**	**11,423**

Claims development in property insurance

Loss reserves are inevitably based to some degree on estimates that involve residual uncertainty. The run-off result is defined as the adjustment in the liability for incurred claims in prior periods. In the case of reinsurance contracts whose terms do not correspond to a calendar year or that are entered into on an underwriting-year basis it is often impossible to allocate claims expenses precisely to the financial year or the prior year.

The following tables show the development of claims for the current reporting period and for the previous 10 occurrence years, broken down into gross and net claims, i.e. after taking reinsurance items into account. Starting from the opening balance of the liability for incurred claims, the change in the actual claims expense is compared against the change in the estimate of the undiscounted amounts of the expected claims, which is shown as the loss run-off triangle. Other changes (discounting effect, risk adjustment, exchange differences on translating foreign operations, etc.) in the components of the liability for incurred claims are also shown to present the reconciliation to the carrying amount as at the end of the reporting period.

The presentation of the development in claims includes all property insurance companies in primary insurance and reinsurance, including Corporate Operations before the elimination of intragroup cross-segment transactions.

GROSS CLAIMS DEVELOPMENT

EUR million	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Liability for incurred claims (gross) at the beginning of the reporting period												**63,758**
Nominal incurred claims (gross) [1]												
Current year	11,589	13,055	12,903	15,995	16,858	17,783	18,457	23,585	30,657	31,694	34,270	
One year later	161	–349	–127	–103	1,073	608	488	220	452	–232		
Two years later	–140	–34	128	–370	–96	–157	–465	–330	–56			
Three years later	–176	–179	–160	109	–233	114	–179	–193				
Four years later	–223	–221	52	50	84	139	–199					
Five years later	–18	78	6	8	80	110						
Six years later	–71	–75	–71	104	69							
Seven years later	–74	–82	–19	–46								
Eight years later	–54	–96	38									
Nine years later	–59	–34										
Ten years later	–25											
Run-off result of initial loss provision in %	0%	0%	0%	0%	0%	1%	1%	1%	0%	1%		
Claims and claims expenses paid	**–125**	**–120**	**–222**	**–453**	**–469**	**–810**	**–1,034**	**–1,832**	**–3,206**	**–7,971**	**–11,387**	
Gross liabilities - accident years from 2014 to 2024	–149	–154	–185	–499	–400	–700	–1,234	–2,026	–3,262	–8,203	22,882	**6,070**
Gross liabilities - accident years before 2014 [2]												**–285**
Discounting effect												**–1,723**
Risk adjustment for non-financial risk												**165**
Exchange differences on translating foreign operations												**1,164**
Portfolio entries/withdrawals												**—**
Accounts Receivables/Payables												**711**
Other changes												**145**
Liabilitiy for incurred claims (gross) at the end of the reporting period												**70,005**

[1] The values up to 2021 inclusively were partially transformed from IFRS 4.
[2] Includes the change in claims incurred of EUR 157 million and claims and claims expenses paid of EUR –442 million.

NET CLAIMS DEVELOPMENT

EUR million	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Liability for incurred claims (net) at the beginning of the reporting period												**50,382**
Nominal incurred claims (net) [1]												
Current year	9,236	10,354	10,475	12,675	13,419	14,763	15,305	17,690	25,919	27,394	29,298	
One year later	177	117	137	−138	734	572	240	107	155	−308		
Two years later	−342	−499	−7	−297	−44	−82	−429	−187	−185			
Three years later	−163	−134	−136	167	−100	−35	−131	−150				
Four years later	−216	−158	22	20	151	91	−173					
Five years later	−44	79	−16	−20	94	31						
Six years later	−80	−106	−106	68	75							
Seven years later	−76	−89	−32	−124								
Eight years later	−55	−92	36									
Nine years later	−63	−29										
Ten years later	3											
Run-off result of initial loss provision in %	0%	0%	0%	1%	1%	0%	1%	1%	1%	1%		
Claims and claims expenses paid	**414**	**−96**	**−196**	**−346**	**−391**	**−607**	**−852**	**−1,203**	**−2,556**	**−7,203**	**−10,776**	
Net liabilities - accident years from 2014 to 2024	417	−126	−160	−470	−315	−576	−1,026	−1,353	−2,742	−7,511	18,522	**4,661**
Net liabilities - accident years before 2014 [2]												**−99**
Discounting effect												**−1,506**
Risk adjustment for non-financial risk												**183**
Exchange differences on translating foreign operations												**943**
Portfolio entries/withdrawals												**—**
Accounts Receivables/Payables												**971**
Other changes												**158**
Liabilitiy for incurred claims (net) at the end of the reporting period												**55,693**

[1] The values up to 2021 inclusively were partially transformed from IFRS 4.
[2] Includes the change in claims incurred of EUR 167 million and claims and claims expenses paid of EUR −266 million.

The Group recorded a positive net run-off result of EUR 685 (185) million in the reporting period; this figure represents the aggregate run-off results for the individual financial years.

The net provision for the outstanding claims of all property insurance companies amounts to a total of EUR 55.7 (50.4) billion, of which EUR 9.9 (8.6) billion is attributable to the Corporate & Specialty segment, EUR 3.9 (3.6) billion to the Retail International segment, EUR 2.5 (2.5) billion to the Retail Germany segment, EUR 0.9 (0.7) billion to the Group Operations segment and EUR 38.6 (34.9) billion to the Property/Casualty Reinsurance segment.

Specific information for contracts measured under the VFA

FAIR VALUE OF UNDERLYING ITEMS VARIABLE FEE APPROACH CONTRACTS

EUR million	2024	2023
Investment property	2,221	2,493
Shares in affiliated companies, associates, joint ventures and participating interests	2,648	2,536
Other financial instruments		
Financial instruments at amortised cost	848	868
Financial instruments at fair value through other comprehensive income	34,822	34,972
Financial instruments at fair value through profit or loss	17,377	15,573
Other investments	453	328
Cash at banks, cheques and cash-in-hand	800	1,403
Other assets	103	107
Total assets	**59,272**	**58,281**

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 end of the reporting period; 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 obligations 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. 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, the Group 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 the Group 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 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 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.

[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.

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:

DISCOUNT RATES APPLIED

	EUR	USD	GBP	AUD	CAD	BRL
31.12.2024						
1 year	0.025677	0.044966	0.048754	0.047564	0.032848	0.151220
5 years	0.024941	0.045694	0.044565	0.045512	0.031358	0.153429
10 years	0.027409	0.049641	0.044906	0.048913	0.033991	0.145245
15 years	0.028413	0.050315	0.046476	0.050769	0.034266	0.134251
20 years	0.027686	0.050028	0.047220	0.051041	0.034403	0.121540
25 years	0.026510	0.048469	0.046842	0.049876	0.034486	0.110503
30 years	0.026286	0.047430	0.046589	0.048404	0.034541	0.101462
50 years	0.028275	0.041949	0.042300	0.042952	0.033706	0.079382
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.

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 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. Although this approach does not use the confidence level as an input, it is set at 83% for the Reinsurance Division and at 87% for Talanx AG. Diversification at entity level is applied only for Hannover Rück SE. In the diversification between all Group entities, the risk adjustment shows that the Group's technical provisions are adequate with an approximate probability of 89%. A one percentage point decline in this probability translates into EUR –221 million while a corresponding increase in the probability translates into EUR 236 million. Changes in the risk adjustment are recognised in insurance service expenses.

(19) Provisions for pensions and other post-employment benefits

In general, Group companies have made defined contribution or defined benefit pension commitments to their employees. The type of pension commitment depends on the pension plan concerned. The majority of pension commitments, measured in terms of the amount involved, are based on defined benefit pension plans.

These are primarily **final salary plans that depend on length of service**, that are fully employer-financed and provide retirement, disability and survivor benefits in the form of a monthly pension, normally without a lump-sum option. Qualifying events (e.g. retirement age, disability or death) are closely aligned with the eligibility requirements for statutory pension insurance. The benefit amount is based on a percentage of the final salary, with the calculation taking into account firstly the number of service years completed at the time the qualifying event occurs and secondly the salary at that time (where appropriate averaged over several years). In some cases, relevant income components below the contribution assessment ceiling for statutory pension insurance are weighted differently to those above the ceiling.

These pension plans are closed to new employees. Some existing commitments have been frozen at the levels already reached plus salary trends. A large majority of the plans are not funded by plan assets.

The **plans based on annual pension units** are fully employer-funded retirement, disability and survivor benefit commitments that take the form of a monthly pension without a lump-sum option. Qualifying events (e.g. retirement age, disability or death) are closely aligned with the eligibility requirements for statutory pension insurance. The benefit amount is based on the sum of annual pension units, which are derived from a transformation table. The number of hours worked by the employee, the size of their salary and, in some cases, the performance of the employer company making the commitment are taken into account. The key income components below the contribution assessment ceiling for statutory pension insurance are weighted differently to those above the ceiling.

The most significant pension plan of this type, measured in terms of the amount involved, is closed to new employees and is not funded by plan assets. However, pension liability insurance has been taken out for a large sub-portfolio. These reimbursement rights are capitalised as separate assets.

The **defined contribution plans** with guarantees are commitments from deferred compensation or fully employer-funded commitments for retirement, disability and survivors' benefits in the form of a monthly pension paid from an "Unterstützungskasse" (provident fund). Instead of a retirement pension, employees can opt for a lump-sum capital payment. These are defined contribution benefit commitments within the meaning of German labour law that are classified economically as defined benefit obligations. The pension amount paid by the employer to the provident fund is used by the latter to taking out pension liability insurance that mirrors the range of benefits for which a commitment has been made (matching pension liability insurance). The benefit commitments are as given in the schedule of benefits for the pension liability insurance policy. The provident fund's associated assets are reported as plan assets.

In addition, there are pension commitments resulting from onetime deferrals of compensation by employees that provide a lump sum benefit in the event of their death or survival to retirement age. In this case, the amount deferred is used as a one-time premium for a pension liability insurance policy whose benefits match the commitments given. There is no annuity option. No plan assets have been allocated to these commitments.

Employees can also opt to take part in insurance-style deferred compensation schemes. In economic terms, these are defined contribution plans for which no pension provisions are recognised.

The risks arising from future changes in pension liabilities consist of general actuarial risks such as interest rate risk, inflation risk and biometric risks.

Measures in place to reduce these risks include matching pension liability insurance with plan assets (defined contribution plans with new business), increased biometric actuarial assumptions and the construction of an asset portfolio structure that is as suitable as possible for presenting expected future cash flows from the commitments (asset liability management). The assumptions regarding the pension trend and the expected rate of salary increase are reviewed on a regular basis and, where necessary, adjusted to account for current expectations in relation to inflation developments.

No unusual risks or material risk clusters can be discerned.

FUNDED STATUS OF PENSION PLANS

EUR million

Type of plan	2024	2023
Final salary plans that depend on length of service		
Plan assets	–22	–19
Present value of defined benefit obligation	1,521	1,583
Effect of the asset ceiling	—	—
Surplus (net asset)	–8	–4
Shortfall (net liability)	1,507	1,568
Plan based on pension modules		
Plan assets	—	—
Reimbursement rights [1]	114	—
Present value of defined benefit obligation	97	100
Effect of the asset ceiling	—	—
Surplus (net asset)	—	—
Shortfall (net liability)	97	100
Contribution-based plans with guarantees		
Plan assets	–344	–325
Present value of defined benefit obligation	360	359
Effect of the asset ceiling	34	24
Surplus (net asset)	1	1
Shortfall (net liability)	50	57
Balance asat 31.12. of the financial year (net asset)	**–7**	**–4**
Balance as at 31.12. of the financial year (net liability)	**1,654**	**1,726**

[1] The reimbursement rights are not offset against net asset and net liability.

The change in the net pension obligation and net pension assets for the Group's various defined benefit pension plans is shown in the following table. In addition to the main components – the defined benefit obligation (DBO) and plan assets – the change in the asset adjustment from the calculation of the asset ceiling for any asset resulting from a plan surplus must be reported. The recoverability of the economic benefit associated with any plan surplus is reviewed at the level of the individual pension plan; this resulted in a reduction in the carrying amount for the net asset both as at 31 December 2024 and as at 31 December 2023. The table also shows the change in the reimbursement rights recognised as separate assets that are not offset against the net provision.

CHANGE IN NET PENSION OBLIGATIONS AND NET PENSION ASSETS FOR THE VARIOUS DEFINED BENEFIT PENSION PLANS

	Defined benefit obligation		Fair value of plan assets		Asset adjustment		Net provision		Fair value of reimbursement rights[1]	
EUR million	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Balance as at 01.01. of the financial year	**2,042**	**1,974**	**–344**	**–324**	**24**	**28**	**1,722**	**1,678**	**—**	**—**
Changes recognised in net income										
Current service cost	24	22	—	—	—	—	24	22	–4	—
Past service cost and plan curtailments	—	—	—	—	—	—	—	—	—	—
Net interest component	75	72	–13	–12	1	1	63	61	—	—
Gain or loss from settlements	—	–1	—	—	—	—	—	–1	—	—
	100	**94**	**–13**	**–12**	**1**	**1**	**88**	**83**	**–4**	**—**
Other comprehensive income										
Remeasurements										
Actuarial gains (–)/losses (+) from changes in biometric assumptions	–1	—	—	—	—	—	–1	—	—	—
Actuarial gains (–)/losses (+) from changes in financial assumptions	–87	62	—	—	—	—	–87	62	—	—
Experience adjustments	29	36	—	—	—	—	29	36	—	—
Return on plan assets (excluding interest income)	—	—	6	7	—	—	6	7	—	—
Change from asset adjustment	—	—	—	—	10	–5	10	–5	—	—
Exchange rate changes	–5	–16	—	—	—	—	–5	–16	—	—
	–65	**81**	**6**	**7**	**10**	**–5**	**–49**	**83**	**—**	**—**
Other changes										
Employer contributions	—	—	–26	–27	—	—	–26	–27	—	—
Employee contributions and deferred compensation	—	1	—	—	—	—	—	—	–2	—
Benefits paid during the year	–103	–98	14	14	—	—	–89	–85	3	—
Business combinations and disposals	—	—	—	—	—	—	—	—	—	—
Reclassification	—	—	—	—	—	—	—	—	–111	—
Effect of plan settlements	—	–3	—	—	—	—	—	–3	—	—
Changes in consolidation	3	—	1	—	—	—	3	—	—	—
Exchange rate changes	1	–6	–2	–1	—	—	–2	–7	—	—
	–99	**–107**	**–15**	**–15**	**—**	**—**	**–114**	**–122**	**–110**	**—**
Balance as at 31.12. of the financial year	**1,978**	**2,042**	**–366**	**–344**	**35**	**24**	**1,647**	**1,722**	**–114**	**—**

[1] The reimbursement rights are not offset against net asset and net liability.

The structure of the investment portfolio underlying the plan assets was as follows:

PLAN ASSET PORTFOLIO STRUCTURE

%	2024	2023
Cash and cash equivalents	2	—
Debt instruments	3	3
Real estate	2	2
Securities funds	1	1
Qualifying insurance contracts	78	77
Other Assets	14	17
Total	**100**	**100**

Since all debt instruments and investment funds are listed on an active market, market prices are available for them.

The fair value of plan assets does not include any amounts for own financial instruments.

The actual return on plan assets in the reporting period was EUR 7 (5) million.

Defined benefit obligations were measured on the basis of the following weighted assumptions:

DEFINED BENEFIT OBLIGATION ASSUMPTIONS

Weighted inputs/assumptions, %	2024	2023
Discount rate for defined benefit obligation [1]	3.4	3.2
Discount factor for net interest component [1]	3.2	3.4
Discount factor for current service cost [1]	3.1	3.3
Expected rate of salary increase [1]	3.5	3.5
Pension trend [1]	2.1	2.3

[1] Where the portfolio in Germany accounts for more than 90% of the total, the amount disclosed is determined in accordance with the inputs specified for valuing domestic portfolios.

As the spot rate approach – which is used to determine the valuation rate as per IAS 19.83 for the euro currency by discounting projected benefits with the entire yield curve – is also applied to interest expenses and income, defined benefit obligation assumptions also include a separate discount factor for calculating net interest elements. The discount factors for the net interest elements and current service costs are determined at the beginning of the financial year.

As in the prior year, the 2018 G Heubeck Mortality Tables were used without change as the biometric basis for calculating the German pension commitments, and were adjusted to reflect the risk trends observed in the portfolio.

The defined benefit obligation has a duration of 13 (14) years.

Sensitivity analyses

Increases or decreases in key actuarial assumptions would have the following effects on the present value of the defined benefit obligation as at 31 December 2024:

EFFECT OF CHANGES IN ACTUARIAL ASSUMPTIONS

	Effect on defined benefit obligation			
	Parameter increase		Parameter decrease	
EUR million	2024	2023	2024	2023
Discount rate (+/– 0.5%)	–109	–122	123	135
Salary increase rate (+/– 0.25%)	5	5	–4	–6
Pension adjustment rate (+/– 0.25%)	43	46	–41	–45

A change in the underlying mortality rates and longevities is also possible. Longevity risk was calculated by lowering the mortalities in the underlying mortality tables by 10%. This extension in longevities would have resulted in the pension obligation being EUR 61 (65) million higher as at the end of the financial year.

Sensitivities are calculated as the difference between the pension obligations under changed actuarial assumptions and those under unchanged actuarial assumptions. The calculations for the key inputs were performed separately.

For financial year 2025, the Group currently anticipates employer contributions of EUR 24 (20) million, which will be paid into the defined benefit plans shown here.

Defined contribution commitments are funded through external pension funds or similar institutions. Fixed contributions (e.g. based on the employee's income) are paid to these institutions, and the beneficiary's claim is against those institutions. In effect, the employer has no further obligation beyond payment of the contributions. An expense of EUR 92 (88) million was recognised for these commitments in the financial year, of which EUR 1 (0) million was attributable to commitments to employees in key positions. The defined contribution commitments mainly relate to state pension schemes.

(20) Provisions for taxes

PROVISIONS FOR TAXES

EUR million	31.12.2024	31.12.2023
Provisions for income tax	995	513
Other tax provisions	468	258
Total	**1,463**	**770**

(21) Miscellaneous other provisions

MISCELLANEOUS OTHER PROVISIONS (LIKELY SETTLEMENT AMOUNT)

EUR million	Restructuring	Bonuses and incentives	Anniversary bonuses	Early retirement/partial retirement	Other personnel expenses	Outstanding invoices	Other	Total
Carrying amount as at the end of the previous year	**65**	**308**	**12**	**49**	**109**	**173**	**364**	**1,081**
2024								
Changes in the basis of consolidation	9	—	—	—	14	2	13	**38**
Additions	15	215	1	46	152	1,841	208	**2,478**
Unwinding of discounts	—	—	—	2	—	—	–1	**1**
Utilisation	–13	–141	–1	–44	–141	–1,754	–163	**–2,257**
Reversals	–12	–7	—	—	–2	–40	–14	**–75**
Changes in the fair value of plan assets	—	—	—	–4	—	—	—	**–4**
Other changes	–6	—	—	6	—	2	–2	**–1**
Exchange rate changes	—	–3	—	—	–2	–5	–8	**–17**
Carrying amount as at the end of the financial year	**59**	**372**	**12**	**55**	**130**	**219**	**397**	**1,244**

The provisions for restructuring disclosed in the financial statements relate primarily to restructuring measures for realigning the Retail Germany Division. The provision for restructuring across the Group as a whole amounted to EUR 59 (65) million as at the end of the reporting period. In the reporting period, these mainly comprised reversals of EUR 12 million, additions of EUR 15 million, utilizations of EUR 13 million and additions due to changes in the scope of consolidation of EUR 9 million. EUR 6 million was also transferred from the restructuring provision to the provision for partial retirement. The changes in the restructuring provision mainly result from updating the previous provision from the G025 programme measures and from the measures of the current Rethink HD programme. No significant unwinding of discounts took place in the reporting period.

Other provisions (EUR 397 [364] million) cover a wide variety of different items that cannot be assigned to the categories above. In particular, these relate to provisions for commissions of EUR 25 (19) million and provisions for interest on back tax payments of EUR 75 (67) million. In addition, this item includes provisions for administrative expenses, land recultivation, outstanding contributions to the "Unterstützungskasse" (provident fund) and the "Schwerbehindertenabgabe" (disabled persons levy).

DURATIONS OF MISCELLANEOUS OTHER PROVISIONS

EUR million	Due within 1 year	Due between 1 and 5 years	Due after more than 5 years	Total
31.12.2024				
Restructuring	35	24	—	**59**
Bonuses and incentives	194	178	—	**372**
Anniversary bonuses [1]	3	2	8	**12**
Early retirement/partial retirement [1]	—	55	—	**55**
Other personnel expenses	116	13	—	**130**
Outstanding invoices	219	—	—	**219**
Other	283	98	16	**397**
Total	**849**	**370**	**25**	**1,244**
Total, previous year	**763**	**297**	**21**	**1,081**

[1] Weighted average.

(22) Notes payable and loans

The following items were reported under this heading as at the end of the reporting period:

EUR million	31.12.2024	31.12.2023
Talanx AG notes payable	2,485	1,746
Hannover Rück SE	748	747
Loans from infrastructure investments	28	54
Hannover Re Real Estate Holdings, Inc. mortgage loans	188	206
HR GLL Central Europe GmbH & Co. KG mortgage loans	180	206
Real Estate Asia Select Fund Limited mortgage loans	214	217
Hannover Rück SE loans	—	138
E+S Rückversicherung AG loans	—	31
Liabilities from real estate investments of KOP4 GmbH & Co. KG	39	44
Other	—	6
Total	**3,881**	**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%.

Net expenses on notes payable and loans totalled EUR 139 (126) million and primarily consisted of interest expenses on bonds issued by Talanx AG (EUR 82 [72] million) and Hannover Rück SE (EUR 8 [8] million), net expenses from mortgage loans (EUR 48 [38] million), loans on infrastructure investments (EUR 0 [2] million) and amortisation (EUR 1 [2] million).

NOTES PAYABLE

EUR million	Nominal amount	Coupon	Maturity	Rating [1]	Issue	31.12.2024	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.	738	—
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	(—; AA–)	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	(—; AA–)	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.	748	747
Total						**3,233**	**2,493**

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

FAIR VALUE OF NOTES PAYABLE AND LOANS

EUR million	31.12.2024	31.12.2023
Amortised cost	3,881	3,395
Unrealised gains/losses	13	—
Fair value	**3,895**	**3,395**

NOTES PAYABLE AND LOANS: MATURITIES

EUR million	31.12.2024	31.12.2023
Due within 1 year	86	290
More than 1 year but less than 5 years	3,672	1,688
More than 5 years but less than 10 years	72	1,362
More than 10 yearsbut less than 20 years	—	—
More than 20 years	39	44
No duration	12	12
Total	**3,881**	**3,395**

(23) Other liabilities

OTHER LIABILITIES

EUR million	2024	2023 [1]
Lease liabilities	419	448
Trade accounts payable	124	132
Liabilities relating to investments	197	168
Liabilities relating to non-Group lead business	551	655
Deferred income	132	105
Interest	69	63
Liabilities to social insurance institutions	29	31
Liabilities from cash collaterals granted	102	144
Miscellaneous other liabilities	2,962	1,740
Total other liabilities (not measured at fair value through profit or loss)	**4,586**	**3,486**
Liabilities from derivatives	245	276
Repos (repurchase agreements)	117	463
Investment contracts designated at fair value through profit or loss	14	12
Investment contracts classified at fair value through profit or loss	2,174	1,968
Total other liabilities measured at fair value through profit or loss	**2,550**	**2,719**
Carrying amount as at 31.12. of the financial year	**7,136**	**6,205**

[1] Adjusted, see “Accounting policies”, section “Summary of significant accounting policies” of the Notes.

Other liabilities primarily include accounts payable not allocated to the technical items.

OTHER LIABILITIES MEASURED AT AMORTISED COST: REMAINING MATURITIES

EUR million	31.12.2024	31.12.2023 [1]
Due within 1 year	3,635	2,813
More than 1 year but less than 5 years	781	223
More than 5 years but less than 10 years	99	141
More than 10 years but less than 20 years	15	12
More than 20 years	47	38
No fixed maturity	8	259
Total	**4,586**	**3,486**

[1] Adjusted, see “Accounting policies”, section “Summary of significant accounting policies” of the Notes.

Liabilities from derivatives (EUR 245 [276] million) mainly consist of instruments used to hedge interest rate, currency and equity risk, along with embedded derivatives separated from the underlying host insurance contract and accounted for at fair value. Please refer to our disclosures in Note 14: Derivative financial instruments and hedge accounting.

The fair value of investment contracts is mainly calculated using the policyholders’ surrender values and account balances. They primarily reflect the changes in the fair value of assets under investment contracts. To avoid discrepancies in value between assets and liabilities under investment contracts, some liabilities are designated at fair value if they would not otherwise be included in this measurement category. See our remarks in the Accounting policies section.

The change in fair value attributable to changes in the credit risk of financial liabilities classified at fair value through profit or loss was insignificant.

OTHER LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS: REMAINING MATURITIES

EUR million	31.12.2024	31.12.2023
Due within 1 year	405	604
More than 1 year but less than 5 years	154	337
More than 5 years but less than 10 years	188	159
More than 10 years but less than 20 years	228	207
More than 20 years	455	412
No fixed maturity	1,120	1,000
Total	**2,550**	**2,719**

(24) Liabilities from financing activities

RECONCILIATION OF DEBT FROM FINANCING ACTIVITIES AT THE START OF THE REPORTING PERIOD TO THE CARRYING AMOUNTS AS AT 31 DECEMBER

			Non-cash items			
EUR million	01.01.	Cash flows from financing activities	Acquisition/ disposal of subsidiaries	Exchange rate changes	Other changes	31.12.
2024						
Subordinated liabilities	5,262	–778	—	—	3	4,487
Notes payable and loans	3,395	640	–168	18	–3	3,881
Lease liabilities	448	–68	4	–1	36	419
Total debt from financing activities	**9,106**	**–206**	**–164**	**16**	**35**	**8,788**
Interest paid from financing activities		–229				
Total cash flows from long-term financing activities		**–435**				
2023						
Subordinated liabilities	5,009	250	—	—	2	5,262
Notes payable and loans	4,058	–841	147	–16	47	3,395
Lease liabilities	467	–68	4	–1	46	448
Total debt from financing activities	**9,535**	**–658**	**151**	**–17**	**96**	**9,106**
Interest paid from financing activities		–215				
Total cash flows from long-term financing activities		**–874**				

In addition, other liabilities include a liability resulting from the application of the anticipated acquisition method for the purchase of shares in the Polish companies Warta and Europa in the mid three-digit million range. For more information, please refer to the Significant additions and disposals of fully consolidated subsidiaries and other changes under company law subsection of the Consolidation section.

(25) Deferred tax assets and liabilities

CHANGE IN RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES DURING THE YEAR

	31.12.2024			31.12.2023		
EUR million	Deferred tax assets	Deferred tax liabilities	Net balance	Deferred tax assets	Deferred tax liabilities	Net balance
Deferred tax assets and liabilities						
Investments	3,641	–1,149	2,492	3,796	–1,225	2,571
technical provisions	9,714	–12,106	–2,392	8,878	–11,412	–2,534
Equalisation reserves	—	–1,912	–1,912	—	–2,053	–2,053
Other provisions	300	–83	217	299	–101	198
Other liabilities	745	–454	291	661	–894	–233
Other valuation differences	1,109	–461	648	1,401	–187	1,214
Assets/liabilities held for sale	6	–7	–1	6	–8	–2
Loss carryforwards	507	—	507	520	—	520
Impairments	–658	—	–658	–594	—	–594
Tax assets (liabilities) before offsetting	**15,364**	**–16,172**	**–808**	**14,967**	**–15,880**	**–913**
Recognised amounts offset	**–14,158**	**14,158**	**—**	**–13,609**	**13,609**	**—**
Tax assets (liabilities) after offsetting	**1,206**	**–2,014**	**–808**	**1,358**	**–2,271**	**–913**

The (net) change of EUR 105 (159) million was recognised in other comprehensive income, increasing (decreasing) equity by EUR 228 (–215) million, and was recognised as an expense (income) in profit or loss in the amount of EUR –160 (425) million. The remaining changes resulted from changes in the basis of consolidation and from currency translations.

Notes to the consolidated statement of income

(26) Insurance revenue

	Corporate & Specialty		Retail International	
EUR million	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Contracts not measured under the PAA				
Experience adjustments related to past or current services	—	—	–82	–35
CSM recognised for services provided	—	—	383	197
Changes in risk adjustment for non-financial risk for risk expired	—	—	133	114
Expected incurred claims and other insurance service expenses	—	—	1,446	936
Amortised insurance acquisition cash flows	—	—	643	406
Total	**—**	**—**	**2,523**	**1,618**
Contracts measured under the PAA	**10,006**	**9,065**	**6,758**	**5,481**
Total insurance revenue	**10,006**	**9,065**	**9,281**	**7,099**

[1] The two segments Retail Germany – Property/Casualty and Retail Germany – Life were combined into a single Retail Germany segment for the purpose of standardised control based on the resolution of the Board of Management dated 7 October 2024.

	Retail Germany[1]		Property/Casualty Reinsurance		Life/Health Reinsurance		Group Operations		Consolidation		Total	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	5	22	1,463	408	303	174	−23	−26	474	40	2,139	584
	410	361	4,216	2,720	908	884	281	230	−595	−634	5,602	3,758
	37	31	309	330	251	466	103	95	−121	−110	713	926
	1,048	1,041	11,692	12,838	6,231	6,091	759	663	−1,866	−1,054	19,310	20,515
	386	387	984	528	22	17	3	2	−13	−5	2,026	1,336
	1,886	**1,843**	**18,665**	**16,824**	**7,715**	**7,633**	**1,123**	**965**	**−2,120**	**−1,762**	**29,790**	**27,120**
	1,733	**1,715**	**—**	**—**	**—**	**—**	**—**	**—**	**−137**	**−144**	**18,359**	**16,118**
	3,619	**3,558**	**18,665**	**16,824**	**7,715**	**7,633**	**1,123**	**965**	**−2,258**	**−1,906**	**48,150**	**43,237**

(27) Net insurance financial result

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

NET INSURANCE FINANCIAL RESULT

	Corporate & Specialty		Retail International	
EUR million	**2024**	2023	**2024**	2023
Investment income for own risk	647	517	1,125	912
Investment expenses for own risk	–279	–320	–372	–329
Investment income for the account and risk of life insurance policyholders	—	—	46	49
Investment expenses for the account and risk of life insurance policyholders	—	—	–14	–4
Amounts recognised in other comprehensive income	162	420	56	634
Total net investment income in the statement of income and other comprehensive income	**530**	**617**	**840**	**1,262**
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	—	—	–193	–476
Interest accreted	–472	–312	–278	–165
Effect of changes in interest rates and other financial assumptions	–87	–438	35	–59
Net foreign exchange loss	–267	221	–59	–73
Total net finance income or expenses from insurance contracts issued in the statement of income and other comprehensive income	**–826**	**–530**	**–495**	**–773**
of which recognised in profit or loss	–739	–91	–442	–363
of which recognised in other comprehensive income	–87	–438	–53	–411
Net insurance finance income or expenses from reinsurance contracts held				
Interest accreted	187	127	47	28
Effect of changes in interest rates and other financial assumptions	47	182	–5	–8
Currency effects	144	–149	28	39
Total net insurance finance income or expenses from reinsurance contracts held in the statement of income and other comprehensive income	**378**	**160**	**70**	**59**
of which recognised in profit or loss	331	–22	75	68
of which recognised in other comprehensive income	47	182	–5	–9
Total net insurance financial result in the statement of income and other comprehensive income	**–449**	**–370**	**–424**	**–714**
Correction for currency result from net insurance financial result	123	–72	30	34
Total net insurance financial result before currency effects in the statement of income and other comprehensive income	**–326**	**–442**	**–394**	**–680**
Total net insurance financial and investment result before currency effects in the statement of income and other comprehensive income	**205**	**175**	**446**	**582**
of which recognised in profit or loss	83	11	448	368
of which recognised in other comprehensive income	121	164	–2	214

	Retail Germany		Reinsurance		Group Operations		Consolidation		Total
2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
2,241	1,801	2,783	2,284	107	78	–348	–69	6,555	5,523
–1,241	–892	–745	–663	–384	–171	345	87	–2,675	–2,289
1,881	1,437	—	—	—	—	—	—	1,926	1,486
–19	–68	—	—	—	—	—	—	–33	–72
62	1,624	–135	1,562	5	16	—	—	150	4,257
2,924	**3,903**	**1,903**	**3,184**	**–272**	**–77**	**–3**	**17**	**5,922**	**8,906**
–3,194	–3,716	—	—	—	—	—	—	–3,387	–4,193
–81	–48	–1,200	–957	–36	–7	243	53	–1,824	–1,436
–30	–148	–542	–1,250	–40	–59	69	145	–595	–1,808
—	—	–913	541	–2	4	—	—	–1,240	693
–3,304	**–3,912**	**–2,655**	**–1,666**	**–78**	**–62**	**312**	**199**	**–7,046**	**–6,744**
–2,872	–2,160	–2,036	–361	–38	–3	242	52	–5,884	–2,926
–432	–1,752	–619	–1,305	–40	–59	70	147	–1,162	–3,818
5	1	29	45	22	—	–119	–80	171	122
—	–15	65	85	26	19	–34	–106	98	158
—	—	34	–45	5	–5	—	—	211	–161
5	**–13**	**127**	**85**	**53**	**14**	**–153**	**–186**	**480**	**119**
6	1	41	–24	27	–5	–119	–80	361	–61
—	–15	86	108	26	19	–34	–106	119	180
–3,299	**–3,925**	**–2,528**	**–1,582**	**–25**	**–47**	**159**	**13**	**–6,566**	**–6,625**
—	—	879	–496	–3	1	—	—	1,029	–532
–3,299	**–3,925**	**–1,649**	**–2,077**	**–29**	**–47**	**159**	**13**	**–5,537**	**–7,158**
–375	**–22**	**254**	**1,107**	**–301**	**–124**	**155**	**31**	**385**	**1,748**
–5	120	923	741	–291	–100	120	–10	1,278	1,130
–370	–143	–669	365	–9	–24	35	41	–893	618

(28) Net investment income

NET INVESTMENT INCOME

EUR million	2024	2023
Income from real estate	458	429
Dividends [1]	114	106
Current interest income	4,074	3,531
Income from investment contracts	311	240
Current income from investment funds	452	328
Other income	104	154
Ordinary investment income	**5,513**	**4,788**
Income from reversal of impairment losses	5	4
Realised gains on disposal of investments	238	106
Investment income from fair value changes	799	625
Investment income for own risk	**6,555**	**5,523**
Realised losses on disposal of investments and expenses	–578	–680
Investment losses from fair value changes	–916	–790
Expenses from investment contracts	–311	–244
Depreciation of/impairment losses on investment property		
Depreciation	–66	–62
Impairment losses	–44	–79
Change in expected credit loss	–3	–24
Amortisation of/impairment losses on other investments		
Amortisation	–32	–32
Investment management expenses	–207	–193
Other expenses [2]	–517	–186
Investment expenses for own risk	**–2,675**	**–2,289**
Net investment income for own risk	**3,880**	**3,235**
Investment income for the account and risk of life insurance policyholders	1,926	1,486
Investment expenses for the account and risk of life insurance policyholders	–33	–72
Net investment income for the account and risk of life insurance policyholders	**1,893**	**1,414**
Net investment income	**5,772**	**4,649**

[1] Net income from shares in associates and joint ventures is reported under dividends.
[2] The other expenses include expenses of EUR 326 million from taxable notices of deficiency in connection with investment risks.

(29) Net gains and losses from investments

Including net investment income for the account and risk of life insurance policyholders (EUR 1,893 [1,414] million), total net investment income as at the reporting date amounted to EUR 5,772 (4,649) million.

NET GAINS AND LOSSES FROM INVESTMENTS BY CLASS

EUR million	Ordinary investment income	Gains on disposal	Losses on disposal and expenses	Depreciation and impairment losses	Reversal of impairment losses	Investment income from fair value changes	Investment expenses from fair value changes	Other investment expenses	Total
2024									
Shares in affiliated companies, associates and joint ventures	62	21	−1	—	2	34	—	—	118
Investment property	417	2	—	−110	3	65	−262	−155	−41
Financial instruments measured at amortised cost	33	—	—	—	—	—	—	—	33
Financial instruments measured at fair value through other comprehensive income									
Debt instruments	3,705	180	−572	−4	—	—	—	−11	3,297
Equity instruments	43	—	—	—	—	—	—	—	43
Financial instruments measured at fair value through profit or loss									
Debt instruments	70	—	—	—	—	60	−10	−2	118
Equity instruments	9	—	—	—	—	31	−32	—	8
Derivatives (assets)	24	—	—	—	—	168	−125	−2	64
Derivatives (liabilities)	3	—	—	—	—	36	−58	−7	−26
Funds classified at fair value through profit or loss	502	8	−4	—	—	404	−429	−6	474
Short-term investments	256	—	—	—	—	—	—	−2	254
Investments relating to investment contracts [1]	244	—	—	—	—	—	—	−217	28
Liabilities relating to investment contracts [2]	66	—	—	—	—	—	—	−94	−28
Other investments	80	27	−1	−32	—	—	—	−537	−463
Investments for own risk	**5,513**	**238**	**−578**	**−146**	**5**	**799**	**−916**	**−1,035**	**3,880**

[1] Investments relating to investment contracts include EUR 182 million in income from fair value changes and EUR 16 million in expenses from fair value changes. According to internal reporting, this income from fair value changes is allocated to ordinary investment income.
[2] Liabilities relating to investment contracts include EUR 66 million in income from fair value changes and EUR 234 million in expenses from fair value changes. According to internal reporting, this income from fair value changes is allocated to ordinary investment income.

NET GAINS AND LOSSES FROM INVESTMENTS BY CLASS

EUR million	Ordinary investment income	Gains on disposal	Losses on disposal and expenses	Depreciation and impairment losses	Reversal of impairment losses	Investment income from fair value changes	Investment expenses from fair value changes	Other investment expenses	Total
2023									
Shares in affiliated companies, associates and joint ventures	46	23	—	—	—	1	–6	—	63
Investment property	386	1	–2	–141	2	39	–295	–146	–154
Financial instruments measured at amortised cost	28	–5	—	–1	—	—	—	–1	21
Financial instruments measured at fair value through other comprehensive income									
Debt instruments	3,192	72	–673	–22	—	—	—	–5	2,563
Equity instruments	52	—	—	—	—	—	—	—	51
Financial instruments measured at fair value through profit or loss									
Debt instruments	68	—	—	—	—	66	–16	–2	117
Equity instruments	9	—	—	—	—	20	–14	—	15
Derivatives (assets)	29	—	—	—	—	179	–81	–5	122
Derivatives (liabilities)	7	—	—	—	—	31	–30	–7	1
Funds classified at fair value through profit or loss	380	6	–5	—	—	281	–350	–7	305
Short-term investments	230	—	—	—	—	7	—	–1	236
Investments relating to investment contracts [1]	177	—	—	—	—	—	—	–46	132
Liabilities relating to investment contracts [2]	63	—	—	—	—	—	—	–198	–135
Other Investments	120	9	—	–33	2	1	—	–203	–102
Investments for own risk	**4,788**	**106**	**–680**	**–197**	**4**	**625**	**–790**	**–621**	**3,235**

[1] Investments relating to investment contracts include EUR 149 million in income from fair value changes and EUR 11 million in expenses from fair value changes. According to internal reporting, this income from fair value changes is allocated to ordinary investment income.
[2] Liabilities relating to investment contracts include EUR 61 million in income from fair value changes and EUR 198 million in expenses from fair value changes. According to internal reporting, this income from fair value changes is allocated to ordinary investment income.

INTEREST INCOME FROM INVESTMENTS FOR OWN RISK

EUR million	2024	2023
Financial instruments measured at amortised cost	33	28
Financial instruments measured at fair value through other comprehensive income		
Debt instruments	3,715	3,192
Financial instruments classified at fair value through profit or loss		
Debt instruments	70	68
Short-term investments	256	230
Investments relating to investment contracts	12	10
Total	**4,086**	**3,531**

(30) Other income/expenses

OTHER INCOME/EXPENSES

EUR million	2024	2023
Other income		
Income from services, rents and commissions	452	370
Recoveries on receivables previously written off	—	2
Income from the disposal of property, plant and equipment	3	4
Income from the reversal of other non-technical provisions	57	100
Interest income	165	108
Miscellaneous other income [1]	227	157
Total	**903**	**742**
Other expenses		
Other interest expense	–145	–129
Depreciation, amortisation and impairment losses	–75	–59
Expenses for the company as a whole	–1,478	–1,262
Personnel expenses	–34	–26
Expenses for services and commissions	–204	–215
Other taxes	–115	–108
Expenses for restructuring provisions	–30	–51
Miscellaneous other expenses	–223	–275
Total	**–2,304**	**–2,125**
Other income/expenses	**–1,400**	**–1,383**
Of which monetary gains and losses according to IAS 29	64	87

[1] Miscellaneous other income includes a result from the disposal of consolidated companies totalling EUR –32 (1) million.

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. Costs that are not directly attributable via cost allocation are reported under expenses for the company as a whole.

(31) Financing costs

The financing costs of EUR 227 (234) million consist of interest expenses on borrowings that are not directly related to the operational insurance business. A large proportion (EUR 118 (131) million) of these interest expenses is attributable to our subordinated liabilities, while EUR 82 (72) million relates to bonds issued by Talanx AG. This item also includes interest expenses from leases in the amount of EUR 14 (12) million.

(32) Taxes on income

This item includes both domestic income taxes and comparable taxes on income generated by foreign subsidiaries. Measuring taxes on income also involves calculating deferred taxes. Deferred taxes are recognised in respect of retained earnings at significant affiliated companies in those cases in which a distribution is specifically planned.

TAXES ON INCOME – CURRENT AND DEFERRED

EUR million	2024	2023
Current taxes for the reporting period	1,052	710
Current taxes for prior periods	71	4
Deferred taxes in respect of temporary differences	159	–389
Deferred taxes in respect of loss carryforwards	28	179
Change in deferred taxes arising from changes in tax rates	–27	–215
Top-up taxes global minimum tax	119	—
Reported tax expense	**1,402**	**289**

Current and deferred taxes totalling EUR 227 (–259) million were recognised in other comprehensive income and directly in equity in the financial year as a result of items charged or credited to other comprehensive income.

The following table presents a reconciliation of the expected income tax expenditure that would be incurred by applying the German income tax rate, based on pre-tax profit, to the actual tax expenditure:

RECONCILIATION OF EXPECTED TO REPORTED TAX EXPENSE

EUR million	2024	2023
Profit before income taxes	4,686	2,834
Expected tax rate	32.20%	32.20%
Expected tax expense	1,509	912
Change in tax rates/tax law	–27	–216
Effects of different tax rates	–399	–475
Non-deductible expenses	480	166
Tax-exempt income	–358	–136
Valuation allowances on deferred tax assets	18	9
Prior-period tax expense	147	13
Other	32	16
Reported tax expense	**1,402**	**289**

The expected tax expenditure is calculated on the basis of the German income tax rate of 32.2% (32.2%). This tax rate is made up of corporate income tax, including the solidarity surcharge, and a composite trade tax rate.

The tax expense for the financial year rose by EUR 1,113 million year on year to EUR 1,402 (289) million. This increase was due not only to higher pre-tax earnings but also to additional tax expenses resulting from the introduction of the global minimum tax, an increase in non-deductible expenses and the absence of the one-time effect from the recognition of deferred tax income from the introduction of a corporate tax regime in Bermuda. The effective tax rate for the financial year was 29.9% (10.2%).

No deferred tax liabilities were recognised in respect of taxable temporary differences of EUR 583 (604) million in connection with shares of Group companies, as the Group is able to control their reversal and they will not reverse in the foreseeable future.

Unimpaired deferred tax assets on loss carryforwards totalled EUR 233 (239) million; EUR 56 (67) million of this is expected to be realised within one year and EUR 177 (172) million after one year.

Current income taxes declined by EUR 32 (1) million in the reporting period because loss carryforwards were utilised for which no deferred tax assets had been recognised.

Impairment losses on deferred tax assets recognised in previous years led to a deferred tax expenditure of EUR 61 (11) million in the financial year. Conversely, the reversal of previous impairment losses resulted in deferred tax income of EUR 27 (39) million.

Where losses were incurred in the reporting period or in the prior year, a surplus of deferred tax assets over deferred tax liabilities was only recognised where there is compelling evidence that it is probable that the company in question will generate sufficient taxable profits in the future. Evidence of this was provided for deferred tax assets amounting to EUR 233 (330) million.

Period in which unrecognised loss carryforwards may be utilised

An impairment loss was recognised on deferred tax assets in respect of gross loss carryforwards of EUR 1,355 (1,501) million and gross deductible temporary differences of EUR 1,868 (1,564) million because their realisation is not sufficiently certain. Total deferred tax assets for these items after recognition of the impairment loss amounted to EUR 658 (594) million.

AVAILABILITY OF IMPAIRED LOSS CARRYFORWARDS AND TEMPORARY DIFFERENCES

	2024					2023				
EUR million	Between 1 and 5 years	Between 6 and 10 years	More than 10 years	Indefinitely	Total	Between 1 and 5 years	Between 6 and 10 years	More than 10 years	Indefinitely	Total
Loss carryforwards	256	—	—	1,099	1,355	286	3	—	1,212	1,501
Temporary differences	—	—	—	1,868	1,868	—	—	—	1,564	1,564
Total	**256**	**—**	**—**	**2,967**	**3,223**	**286**	**3**	**—**	**2,776**	**3,065**

Other disclosures

Number of employees and personnel expenses

Number of employees

AVERAGE ANNUAL NUMBER OF EMPLOYEES

	2024	2023
Corporate & Specialty	4,415	2,380
Retail International	12,312	9,018
Retail Germany	2,870	422
Reinsurance	3,840	3,626
Group Operations	3,311	8,429
Total excluding vocational trainees	**26,749**	**23,875**
Vocational trainees	522	518
Total	**27,271**	**24,393**

As at the end of the reporting period, the Group had a total workforce of 29,976 (27,863) employees.

The increase in the number of employees in the Retail International segment is primarily due to the acquisitions in Brazil, Chile, Colombia and Ecuador from Liberty Mutual.

We have been assigning employees to the respective segments based on their role since 1 January 2024. The employees who were previously assigned to HDI AG (Group Operations segment) in the previous year have now been assigned to the companies with personnel responsibility in the Corporate & Specialty and Retail Germany segments. This resulted in increases in the number of employees in the Corporate & Specialty and Retail Germany segments, and a decline in the Group Operations segment.

Personnel expenses

The personnel expenses set out in the following mainly comprise expenses for the Corporate Operations insurance operations, loss adjustment and asset management.

PERSONNEL EXPENSES

EUR million	2024	2023
Wages and salaries	**2,016**	**1,731**
Social security contributions and other employee benefit costs		
Social security contributions	291	250
Post-employment benefit costs	77	90
Other employee benefit costs	47	21
	415	**361**
Total	**2,431**	**2,092**

Related party disclosures

IAS 24 – Related Party Disclosures defines related parties as including parent companies and subsidiaries, subsidiaries of a common parent, associates, legal entities under the influence of management and the management of the company itself.

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.

A person or a close member of that person's family is related to the reporting entity if that person has control or joint control of the reporting entity, has significant influence over the reporting entity or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. Key management personnel comprises the members of the Board of Management and 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 (HG), 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% (HG).

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%. For further information, see Note 22: Subordinated liabilities in the Notes.

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. For further information, see Note 22: Subordinated liabilities in the Notes.

On 16 December 2021, Talanx AG signed a master agreement with HDI V.a.G. which allows Talanx AG to offer HDI V.a.G. subordinated bonds with a maturity of five years and a volume of up to EUR 750 million on a revolving basis. For further information, see Note 17: Subordinated liabilities in the Notes.

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

Share-based payments

The Group had a cash-settled share-based payment plan in financial year 2024 (share award plan, valid since 2011).

Share award plan

Effective as from financial year 2011, a share award plan was introduced for Talanx AG and significant Group companies, including Hannover Rück SE. This was initially for the members of the boards of management and subsequently also for certain executives, and grants stock appreciation rights in the form of virtual shares, known as "share awards". The share award plan comes in two versions, which vary in certain areas:

- Talanx share awards (for members of the Board of Management of Talanx AG and of significant Group companies and, with effect from the 2012 and 2015 financial years, for certain executives, not including Hannover Rück SE)
- Hannover Re share awards (for members of the Board of Management of Hannover Rück SE and, with effect from the 2012 financial year, also for certain executives of Hannover Rück SE). This share award plan replaces Hannover Rück SE's terminated stock appreciation rights plan.

The Annual General Meeting resolved to amend and supplement the share award plan for the Board of Management from the 2021 financial year onwards ("Performance Shares").

The share awards do not entitle participants to demand delivery of actual shares, but only to be paid a cash amount subject to the conditions set out below.

The share award plan is open to all persons contractually entitled to share awards and to board of management members whose contract of service is still in force when the share awards are allocated and will not end due to termination by either party or by mutual agreement that takes effect before the lock-up period expires.

Share awards have been issued separately since financial year 2011 for board of management members and since financial years 2012 or 2015 also for certain executives, and thereafter for each subsequent financial year (allocation year). The first payment of share awards issued to eligible board of management members in financial year 2011 took place in financial year 2016. The first payment to certain executives contractually entitled to share awards was made in the 2017 financial year.

The total number of share awards granted depends on the value per share. This is calculated as the unweighted arithmetic mean of the XETRA closing prices. The terms and conditions for beneficiaries stipulate a calculation period ranging from five trading days before to five trading days after the Supervisory Board meeting that approves the consolidated financial statements for the previous financial year. A different period is stipulated for executives (excluding Hannover Rück SE): this is 15 trading days before and 15 trading days after the Supervisory Board meeting that approves the consolidated financial statements for the previous financial year. For Hannover Rück SE executives, a period was agreed of 20 trading days before until 10 trading days after the Supervisory Board meeting that approves the consolidated financial statements. The Talanx share awards are based on the value per Talanx AG share, while the Hannover Re share awards are based on the value per Hannover Rück SE share. The prices calculated in this way also determine the pay-out value of the share awards as they fall due. The total number of share awards allocated is arrived at by dividing the amount available for allocating share awards to each beneficiary by the value per share, rounded up to the next full share. In the case of Talanx Group executives (excluding Hannover Rück SE), an additional virtual share is allocated for every four full shares. For members of the Board of Management of Talanx AG, significant Group companies and Hannover Rück SE, 20% of the individual's defined variable remuneration is allocated in share awards, while for Group executives (including Hannover Rück SE) the figure is 30% to 40%, depending on their management level.

The share awards are allocated automatically without the need for a declaration by either party. For each share award, the value of the share determined on the pay-out date using the definitions above is paid out after a lock-up period of four years. The value per share is calculated using the procedure described in the previous paragraph. This amount is paid by bank transfer in the month following the end of the period designated for calculating the value per share as described in the previous paragraphs. For Talanx Group executives who have participated in the allocation of share awards since 2015, the pay-out will take place until further notice in July, following the expiry of the lock-up period.

If dividends were distributed to shareholders, an amount equalling the dividends is also paid when the value of the share awards is transferred. The dividend amount to be paid is the sum of all dividends distributed per share during the term of the share awards, multiplied by the number of share awards paid out to each beneficiary at the pay-out date. If the share awards are paid out ahead of time, only the value of the dividends for the period up to the occurrence of the trigger event will be paid. Undistributed dividends will not be taken into account pro rata. In the case of executives, payments are made pro rata in line with the provisions of their contracts if they leave the company during the course of a year.

If a Board of Management member's term of office or contract of service ends, the beneficiary remains entitled to payment of the value of any share awards already granted once the relevant lock-up period has expired, unless such termination is due to the beneficiary's resignation or termination/dismissal for cause. In the event that a beneficiary dies, any entitlement to share awards already allocated or still to be allocated passes to his or her heirs. In the case of the executives (excluding Hannover Rück SE), claims that have already vested are non-forfeitable.

In principle, no share awards may be allocated to members of the Board of Management after the beneficiary has left the company. An exception to this is made in cases in which the beneficiary has left the company due to non-reappointment, retirement or death in respect of entitlements to variable remuneration earned by the beneficiary in the last year – or part-year – of his or her work.

Malus and clawback provisions have also been in place for members of the Group's Board of Management since 1 January 2021. In the event of an intentional breach of due diligence obligations, material contractual obligations or the Company's material principles, the Supervisory Board can, at its reasonable discretion, reduce variable remuneration that has not yet been paid out, in part or in full, and reclaim the full or partial repayment of variable remuneration that has already been paid out with retroactive effect of up to five years.

The share award plan is accounted for in the Group as a cash-settled share-based payment transaction as defined by IFRS 2. Since different calculation bases are used for the Talanx Share Awards and the Hannover Re share awards, the two versions of the share aware plan are presented separately in more detail in the following:

Talanx share awards

TALANX SHARE AWARDS

	2024		2023
	Anticipated allocation in 2025 for 2024	Final allocation in 2024 for 2023	Anticipated allocation in 2024 for 2023
Measurement date for Board of Management	30.12.2024	18.03.2024	29.12.2023
Value per share award (EUR)	82.15	69.65	64.65
Measurement date for Executives	30.12.2024	18.03.2024	29.12.2023
Value per share award (EUR)	82.15	70.66	64.65
Number allocated in year	286,027	305,471	324,423
of which: Talanx AG Board of Management	89,173	89,291	95,598
of which: Other boards of management	115,952	114,574	119,617
of which: Executives [1]	80,902	101,606	109,208

[1] Executives also include a further group of persons (risk takers) who have been receiving Performance Shares since the 2013 financial year. Slightly modified allocation plans exist for these risk takers, which have not been explained in detail for reasons of materiality.

CHANGES IN PROVISIONS FOR TALANX SHARE AWARDS

EUR thousand	2024	2023	2022	2021	2020	2019	2018	Total
							Allocation year	
Provision as at 31.12.2022	**—**	**—**	**9,932**	**13,869**	**7,897**	**10,406**	**9,280**	**51,384**
Addition in 2023	—	12,120	11,432	8,863	4,234	5,305	−290	41,665
Utilisation 2023	—	—	—	−55	−126	−120	−8,833	−9,134
Reversal in 2023	—	—	−161	−136	—	—	−157	−454
Provision as at 31.12.2023	**—**	**12,120**	**21,203**	**22,541**	**12,006**	**15,591**	**—**	**83,461**
Addition in 2024	14,239	8,097	9,853	6,662	4,040	1,401	—	44,292
Utilisation 2024	—	—	—	—	—	−16,992	—	−16,992
Reversal in 2024	—	−653	−112	−132	−95	—	—	−992
Provision as at 31.12.2024	**14,239**	**19,564**	**30,944**	**29,071**	**15,951**	**—**	**—**	**109,769**

The personnel expenses for Talanx share awards to Board of Management members are distributed over the relevant term of the share awards or the term of the service contracts, if shorter, while those for share awards to executives are distributed over the term of the share award.

The addition made during the financial year and recognised in personnel expenses amounted to EUR 44.3 (41.7) million. It comprised expenses for the share awards for 2024 financial year, plus the dividend claim and the additional vested portion of share awards granted in previous financial years. Additionally, the value of share awards is affected by changes in the share price. Dividends included in personnel expenses for previous financial years totalled EUR 3.1 (2.5) million. This item covers distributed dividends, but not expected dividend claims. Dividends are recognised at their discounted amount.

The 219,934 definitively allocated share awards dating from 2019, each of which was worth EUR 70.66 plus the dividend entitlement of EUR 6.60 per share, were paid out to the eligible Board of Management members and executives in the reporting period.

Hannover Re Share Awards

HANNOVER RE SHARE AWARDS

	2023		2023
	Anticipated allocation in 2025 for 2024	Final allocation in 2024 for 2023	Anticipated allocation in 2024 for 2023
Measurement date for Board of Management	10.12.2024	22.03.2024	11.12.2023
Value per share award (EUR)	253.70	242.71	220.40
Measurement date for Executives	10.12.2024	02.04.2024	11.12.2023
Value per share award (EUR)	253.70	241.26	220.40
Number allocated in year	83,790	75,313	83,348
of which: Board of Management	35,479	29,531	31,306
of which: Executives [1]	48,311	46,710	52,042
of which: other adjustments [1]	—	−928	—

[1] At the Talanx Group, executives from HDI Global Specialty receive Hannover Re share awards, which are not included in the table. The total amount of share awards is 4.582.

CHANGES IN PROVISIONS FOR HANNOVER RE SHARE AWARDS

EUR thousand						Allocation year		
	2024	2023	2022	2021	2020	2019	2018	Total
Provision as at 31.12.2022	**—**	**—**	**2,982**	**5,605**	**6,227**	**7,809**	**12,077**	**34,700**
Addition in 2023	—	4,439	4,977	4,114	3,291	3,344	—	20,165
Utilisation 2023	—	—	—	—	—	—	–11,766	–11,766
Reversal in 2023	—	—	–80	–133	–194	–220	–311	–938
Provision as at 31.12.2023	**—**	**4,439**	**7,879**	**9,586**	**9,324**	**10,933**	**—**	**42,161**
Addition in 2024	7,306	5,831	6,360	5,878	4,264	1,377	—	31,016
Utilisation 2024	—	—	—	—	—	–12,310	—	–12,310
Reversal in 2024	—	–211	–305	–435	–305	—	—	–1,256
Provision as at 31.12.2024	**7,306**	**10,059**	**13,934**	**15,029**	**13,283**	**—**	**—**	**59,611**

The personnel expenses for share awards to Board of Management members are distributed over the relevant term of the share awards or the term of the service contracts, if shorter, while those for share awards to executives are distributed over the term of the share award.

The addition made during the financial year and recognised in personnel expenses amounted to EUR 31.0 (20.2) million. It comprised expenses for the share awards for 2024 financial year, plus the dividend claim and the additional vested portion of share awards granted in previous financial years. Additionally, the value of share awards is affected by changes in the share price. Dividends included in personnel expenses for previous financial years totalled EUR 1.9 (1.4) million. This item covers distributed dividends, but not expected dividend claims. Dividends are recognised at their discounted amount.

The 7,993 definitively allocated share awards for the Board of Management from 2019, each of which was worth EUR 245.19 plus the dividend entitlement of EUR 21.75 each, were paid out to the eligible members of the Board of Management in the reporting period. 38,692 share awards made to executives for the 2019 financial year were paid out in 2024; the value was EUR 241.26 each plus a dividend entitlement of EUR 21.75 per share.

Other disclosures on financial instruments

As at the reporting date, the Group also recognised securities in the “financial instruments measured at fair value through other comprehensive income” 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 118 (476) million with that of the associated liabilities at EUR 117 (463) 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. In addition, the Group recognised short-term investments in connection with reverse repo transactions in the amount of EUR 38 (508) million. As regards these securities repurchase transactions, the Group undertook the obligation to sell these at a fixed price after purchase.

Litigation

Group companies may become involved in court, regulatory and arbitration proceedings as part of their normal business activities. Depending on the probability of any resulting outflow of resources, and in line with the extent to which the amount of such an outflow can be reliably estimated, either a provision is recognised or a contingent liability is disclosed (in the Notes). The matters generally at issue are technical provisions within the scope of IFRS 17 or, in exceptional cases, miscellaneous other provisions. Litigation costs (such as lawyers’ fees, court costs and other ancillary costs) are only recognised as liabilities once an action is known to be well-founded. A contingent liability is recognised for litigation where utilisation is unlikely.

The Group uses a number of assessment criteria to estimate the amount and probability of any outflow of resources. These include the type of dispute concerned, the status of the proceedings, assessments by legal advisors, decisions by the courts or by arbitrators, expert opinions, the Group’s experiences of similar cases and lessons learned from other companies, to the extent that these are known.

Although we were exposed to proceedings in the course of our standard insurance and reinsurance business, there was no litigation materially impacting the Group’s assets, liabilities, financial position and financial performance during the reporting period and at the end of the reporting period.

In our view, the provisions recognised for litigation risk in individual cases and the contingent liabilities disclosed for litigation are sufficient to cover the expected expenses.

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 end of the reporting period 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

	2024	2023
Net income attributable to shareholders of Talanx AG used to calculate earnings per share (EUR million)	1,977	1,581
Weighted average number of ordinary shares outstanding	258,228,991	254,687,395
Basic earnings per share (EUR)	7.65	6.21
Diluted earnings per share (EUR)	7.65	6.21

Dividend per share and appropriation of distributable profits

A dividend for financial year 2023 amounting to EUR 2.35 per share was paid in the reporting year, resulting in total distribution of EUR 607 million. A proposal will be made to the General Meeting to be held on 8 May 2025 to distribute a dividend of EUR 2.70 per share for financial year 2024, resulting in a total distribution of EUR 697 million. The remainder of Talanx AG´s distributable profit (EUR 937 million) will be transferred to retained profits brought forward.

Contingent liabilities and other financial commitments

Outstanding capital commitments for investments amounted to EUR 3,981 (2,865) million as at the end of the reporting period. These primarily related to outstanding funding commitments resulting from agreements to invest in private equity funds and venture capital firms.

A number of Group companies are proportionately liable for any underfunding at the Gerling Versorgungskasse pension fund in their capacity as sponsors of Gerling Versorgungskasse VVaG.

Several Group companies are members of the pharmaceutical risk reinsurance pool, the German nuclear reactor insurance pool and the “Verkehrsopferhilfe e. V.” traffic accident pool. In the event that one of the other pool members fails to meet its liabilities, the companies are obliged to assume that other member´s share in proportion to their own share of the pool.

In addition, several Group companies belong to the Guarantee Fund for Life Insurance Undertakings in accordance with sections 221 ff. of the Insurance Supervision Act (VAG); related funding commitments and contributions amount to EUR 629 (521) million.

Our subsidiary Hannover Rück SE enters into contingent liabilities as part of its regular business activities. A number of reinsurance contracts between Group companies and external third parties contain letters of comfort, guarantees or novation agreements under which, if certain circumstances occur, Hannover Rück SE will guarantee the liabilities of the relevant subsidiary or assume its rights and obligations under the contracts.

The application of tax laws and regulations may be unresolved at the time when the tax items are recognised. We adopted what we believe to be the most probable utilisation when calculating tax refund claims and tax liabilities. However, the tax authorities may come to different conclusions and this could give rise to additional tax liabilities in the future. The Group’s contingent liabilities from taxes amount to EUR 32 (73) million. These are offset by contingent assets from taxes of EUR 269 (31) million.

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	31.12.2024	31.12.2023
Capital management services and commission [1]	269	192
Other insurance-related services [2]	202	178
Income from infrastructure investments [3]	60	100
Total revenue [4]	**531**	**470**

[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 421 (351) million and under “4.a. Investment income for own risk” EUR 111 (119) million.

Rents and leases

Leases under which Group companies are the lessees

The Group leases office space, technical equipment and office equipment at many locations. There is also a long-term ground lease as part of investment property.

The following right-of-use assets were recognised in the balance sheet as at 31 December 2024 in connection with leases.

CHANGES IN RIGHT-OF-USE ASSETS

EUR million	Real estate held and used	Infrastructure investments	Investment property	Operating and office equipment	Other right-of-use assets	Total
2024						
Carrying amount as at 01.01.2024	**349**	**24**	**33**	**2**	**4**	**412**
Depreciation	–88	–2	—	–1	–3	–94
Additions	45	—	—	—	4	49
Disposals	–12	—	—	–1	—	–13
Change in basis of consolidation	4	—	—	—	—	4
Exchange rate changes	–2	—	2	2	—	2
Carrying amount as at 31.12.2024	**295**	**23**	**35**	**2**	**5**	**360**
2023						
Carrying amount as at 01.01.2023	**371**	**26**	**35**	**1**	**3**	**436**
Depreciation	–79	–2	—	—	–2	–84
Additions	50	—	—	1	3	54
Disposals	–3	—	—	—	—	–3
Change in basis of consolidation	4	—	—	—	—	4
Reversal of impairment	2	—	—	—	—	2
Exchange rate changes	4	—	–1	—	—	3
Carrying amount as at 31.12.2023	**349**	**24**	**33**	**2**	**4**	**412**

CHANGES IN THE LEASE LIABILITY [1]

EUR million	2024	2023
Balance at 01.01. of the financial year	**448**	**467**
Additions	49	52
Disposals	–13	–5
Amortisation	–68	–68
Change in basis of consolidation	4	4
Reclassification	—	–1
Exchange rate changes	–1	–1
Balance at 31.12. of the financial year	**419**	**448**

[1] The lease liabilities include interest expenses of EUR 14 (12) million.

MATURITY OF THE LEASE LIABILITIES

EUR million	31.12.2024	31.12.2023
less than 1 year	90	82
1 year and longer	52	57
2 years and longer	54	50
3 years and longer	43	44
4 years and longer	40	41
5 years and longer	140	174
Total	**419**	**448**

ADDITIONAL EXPENSES FROM LEASING CONTRACTS

EUR million	2024	2,023
Expenses from short-term leases	—	–4
Expenses from leases of low-value assets	–26	–30
Expenses for variable-lease payments	—	–1

There was no material income from subleases or material gains or losses from sale and leaseback transactions in the financial year.

Total lease payments amounted to EUR 82 (80) million and mainly comprise lease payments for real estate held and used totalling EUR 72 (71) million. In the financial year, there were no future minimum lease payments, which cannot be terminated, in connection with leases that have been concluded but that have not yet begun.

Leases under which Group companies are the lessors

The total amount of income due under non-cancellable leases in subsequent years is EUR 1,679 (1,514) million.

FUTURE LEASING INCOME

EUR million	2024	2025	2026	2027	2028	Subsequent years
Income	329	294	257	223	182	395

The future lease income results primarily from the leasing of real estate by real estate companies in the Property/Casualty Reinsurance segment as well as from the leasing of real estate in Germany by primary insurance companies (primarily in the Retail Germany segment). These are operating leases. Rental income in the financial year came to EUR 442 (404) million. This included EUR 1 (5) million in income from variable lease payments that do not depend on an index or interest rate.

Remuneration of the parent company's governing bodies

The Board of Management of Talanx AG comprised seven (seven) active members as at the end of the reporting period.

The total remuneration paid to the Board of Management amounted to EUR 19,979 (16,972) thousand. It is made up of fixed and variable remuneration. Fixed remuneration is granted in three elements – the fixed remuneration, the fringe benefits and the retirement provision. Fixed remuneration paid to the Board of Management amounted to EUR 5,337 (4,478) thousand in financial year 2024. In addition, each member of the Board of Management received certain non-performance- related fringe benefits in line with common market practice, including a company car and insurance cover, which are reviewed at regular intervals. In 2024, fringe benefits for the Board of Management totalled EUR 61 (60) thousand. The Board of Management's retirement provision is primarily on a defined contribution basis. There is a pension commitment on a final salary basis only for one member of the Board of Management. In the financial year 2024, expenses for the Board of Management's pension provisions amounted to EUR 1,463 (1,172) thousand. Variable remuneration of the Board of Management totalled EUR 14,581 (12,433) thousand.

In line with the share-based payment system introduced in 2011, the Board of Management has claims for the reporting period under the Talanx share award plan to virtual shares with a fair value of EUR 6,219 (5,431) thousand (corresponding to 89,291 (125,523) shares) and claims for the reporting period under the Hannover Re share award plan to virtual shares with a fair value of EUR 1,420 (1,138) thousand (corresponding to 5,850 (6,441) shares).

Former members of the Board of Management and their surviving dependants received total remuneration of EUR 2,170 (2,620) thousand. Provisions of EUR 35,184 (36,471) thousand were recognised for projected benefit obligations due to former members of the Board of Management and their surviving dependants.

The total remuneration paid to the Supervisory Board amounted to EUR 2,545 (2,632) thousand. From 1 January 2021, the members of the Supervisory Board receive solely fixed remuneration.

In the reporting period, members of governing bodies received no advances or loans. During the reporting period, there were no further material matters and contractual relationships between companies of the Talanx Group and the members of governing bodies and related parties as defined by IAS 24. Beyond the remuneration paid as Supervisory Board members at Group companies, the members of the Supervisory Board were not granted any remuneration or advantages for any personal performance.

A new remuneration system has been in place for all members of the Board or Management since 1 January 2021. The remuneration of the Board of Management still comprises fixed and variable components.

With a target achievement of 100%, the remuneration of the Board of Management comprises 40% fixed remuneration and 60% variable. Each member of the Board of Management has a target remuneration in line with common market practice, aligned to the respective area of responsibility and the knowledge and experience relevant for the activity. Since 1 January 2021, the variable part of the Board of Management remuneration is made up of a 40% share from a short-term incentive (STI) and a 60% share from a long-term incentive (LTI) granted in the form of Talanx performance shares or Hannover Re performance shares. The short-term incentive is aligned to the business performance of Talanx in the respective financial year. The basis for the payment from the STI is the contractually stipulated STI target amount based on overall target achievement of 100%. Overall target achievement (including an individual upward or downward adjustment) can be in a range between 0% and 200%. The STI payout is capped at 200% of the STI target amount. The key financial criterion for the STI is the Group's return on equity ("Group RoE"). For the STI there is also an individual upward or downward adjustment. This comprises both financial as well as non-financial performance criteria, in particular also sustainability targets. The individual upward or downward adjustment is determined by the Supervisory Board after a due assessment of the circumstances. It can be in a range between –25 percentage points and +25 percentage points. The criteria for determining the individual upward or downward adjustment is determined for the future financial year by Supervisory Board in advance, with the Board of Management members being informed of the same.

For a detailed explanation of the long-term incentive, see the "Share based payment" section. The long-term incentive is paid out at the end of the four-year performance period in 2028.

IAS 24 requires the remuneration components of key management personnel of the reporting entity to be presented separately. This group of persons encompasses the members of the Board of Management and Supervisory Board of Talanx AG. The remuneration of this group of persons can be broken down as follows:

EUR Thousand	2024	2023
Salaries and other short-term remunerations	13,942	12,185
Awards of shares and other equity-based remunerations [1]	7,639	6,569
Cost of retirement provisions [2]	1,463	1,172
Total	**23,044**	**19,926**

[1] The figure shown represents the value of the share awards to be granted to Members of the Board of Management for the year under review.
[2] The figure shown represents the service cost (and/or annual funding contribution) recognised in the year under review for pensions and other post-retirement benefits).

There are provisions in particular in connection with post-employment benefits and remuneration in respect to the LTI and STI. As at 31 December 2024, pension provisions for related parties total EUR 13,760 (13,051) thousand. Furthermore, there are provisions for share-based payments totalling EUR 25,200 (13,310) thousand and provisions for variable cash remuneration totalling EUR 5,999 (5,015) thousand. In connection with the Supervisory Board remuneration, there were provisions of EUR 2,433 (2,499) thousand as at 31 December 2024.

Auditor's fee

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC GmbH) was appointed as Group auditor within the meaning of section 318 HGB by the Annual General Meeting on 7 May 2024. It was engaged by the Supervisory Board on 9 July 2024. The fees paid to PwC GmbH and firms belonging to the global PwC network that were recognised as expenses in the reporting period can be broken down as follows:

PWC FEES

	PwC network worldwide		of which PwC GmbH	
EUR million	2024	2023	2024	2023
Financial statement audit services	33.9	31.0	17.1	13.6
Other assurance services	1.9	1.9	0.9	0.3
Other services	0.2	0.3	0.1	—
Total	**36.0**	**33.2**	**18.1**	**13.9**

PwC GmbH's fee for financial statement audit services primarily comprises the fees for auditing the consolidated financial statements (including statutory supplements to the engagement), the audit of the remuneration report, the review of the interim report, and audits of the annual financial statements and solvency overviews of the subsidiaries included in the consolidated financial statements. The fees for other consulting services comprise assurance engagements on the basis of the International Standard on Assurance Engagements 3000 (ISAE 3000), assurance procedures on the basis of the International Standard on Related Services 4400 (ISRS 4400) and assurance services in connection with the non-financial statement.

The lead auditor responsible for performing the audit within the meaning of section 38(2) of the Professional Code of Conduct for German Public Auditors and Sworn Auditors in the version dated 21 June 2016 is Mr Martin Eibl. He was first responsible for the audit of the annual and consolidated financial statements as at 31 December 2023.

Declaration of compliance in accordance with section 161 of the German Stock Corporation Act (AktG)

The declaration of compliance with the German Corporate Governance Code in accordance with section 161 of the German Stock Corporation Act (AktG) has been issued and made permanently available to shareholders on the Talanx AG website (https://www.talanx.com/en/talanx-group/corporate_governance/declaration_of_conformity), as described in the Board of Management's Corporate Governance Statement in the Group management report (found in the Corporate governance section).

On 8 November 2024, the Board of Management and Supervisory Board of our listed subsidiary Hannover Rück SE issued the declaration of compliance with the recommendations of the Government Commission on the German Corporate Governance Code required by section 161 of the AktG and made this declaration available to shareholders by publishing it in its annual report. The current and all previous declarations of conformity for Hannover Rück SE are published on the company's website (https://www.hannover-re.com/en/investors/corporate-governance/declaration-of-conformity/).

Events after the end of the reporting period

After the end of the reporting period, forest fires occurred in the vicinity of Los Angeles, California, USA, the extent of which cannot yet be quantified. On the basis of various scenario analyses, we anticipate – based on a total insured market loss of USD 30.0 to 40.0 billion – net large losses for Hannover Re in the order of EUR 500 to 700 million. In primary insurance, we currently anticipate net large losses in the double-digit million euro range. Due to the complexity of the event, it is still too early to provide a more precise loss estimate.

List of shareholdings

The following information is disclosed in the consolidated financial statements of Talanx AG in accordance with section 313(2) of the German Commercial Code (HGB) and IFRS 12.10 (a) (i).

1. AFFILIATED COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

	Equity interest[1] in %
Domestic	
Ampega Asset Management GmbH, Cologne[3, 13]	100.00
Ampega Investment GmbH, Cologne[13]	100.00
Ampega-nl-Euro-DIM-Fonds, Cologne[16]	100.00
Ampega-nl-Global-Fonds, Cologne[16]	100.00
Ampega-nl-Rent-Fonds, Cologne[16]	100.00
Ampega-Vienna-Bonds-Master-Fonds-Deutschland, Cologne[16]	100.00
cor F. 25. GmbH & Co. KG, Cologne[4]	100.00
E+S PE GmbH, Hannover	100.00
E+S Private Equity Beteiligungen GmbH, Hannover	100.00
E+S Rückversicherung AG, Hannover	64.79
EURO-Rent 3 Master, Cologne[16]	100.00
FUNIS GmbH & Co. KG, Hannover	100.00
Gerling Immo Spezial 1, Cologne[16]	100.00
GKL SPEZIAL RENTEN, Cologne[16]	100.00
Hannover America Private Equity Partners II GmbH & Co. KG, Hannover	100.00
Hannover Beteiligungsgesellschaft mbH, Hannover	100.00
Hannover RE AA PE Partners III GmbH & Co. KG, Hannover	100.00
Hannover Re Euro PE Holdings GmbH & Co. KG, Hannover	100.00
Hannover Re Euro PE Holdings II GmbH & Co. KG, Hannover	100.00
Hannover Re Euro RE Holdings GmbH, Hannover	100.00
Hannover Re Global Alternatives GmbH & Co. KG, Hannover	100.00
Hannover Re Global Holding GmbH, Hannover	100.00
Hannover Re Private Equity Beteiligungen GmbH, Hamburg	100.00
Hannover Rück Beteiligung Verwaltungs-GmbH, Hannover	100.00
Hannover Rück SE, Hannover	50.22
HAPEP II Holding GmbH, Hannover	100.00
HAPEP II Komplementär GmbH, Hannover	100.00
HD Real Assets GmbH & Co. KG, Cologne[4]	100.00
HDI AG, Hannover[3, 13]	100.00
HDI AI EUR Beteiligungs-GmbH, Cologne[3, 13]	100.00
HDI AI USD Beteiligungs-GmbH, Cologne[3, 13]	100.00
HDI Deutschland AG, Hannover[3, 13]	100.00
HDI Deutschland Bancassurance GmbH, Hilden[3, 13]	100.00
HDI Deutschland Bancassurance Kundenmanagement GmbH & Co. KG, Hilden[4]	100.00
HDI Global Network AG, Hannover[13]	100.00
HDI Global SE Absolute Return, Cologne[16]	100.00
HDI Global SE, Hannover[13]	100.00
HDI Global Specialty SE, Hannover	100.00
HDI Globale Equities, Cologne[16]	100.00
HDI International AG, Hannover[3, 13]	100.00
HDI Kundenmanagement GmbH, Hilden (formerly: HDI Deutschland Bancassurance Communication Center GmbH, Hilden)[3, 13]	100.00
HDI Lebensversicherung AG, Cologne	100.00
HDI next GmbH, Rostock[3,13]	100.00
HDI Pensionsfonds AG, Hilden[13]	100.00
HDI Pensionskasse AG, Cologne	100.00
HDI Pensionsmanagement AG, Cologne[3, 13]	100.00
HDI Risk Consulting GmbH, Hannover[3,13]	100.00
HDI Versicherung AG, Hannover[13]	100.00
HDI-Gerling Sach Industrials Master, Cologne[16]	100.00
HG CROSS 1 GmbH & Co. KG, Hannover[4]	100.00
HGLV-Financial, Cologne[16]	100.00
HINT Europa Beteiligungs AG & Co. KG, Hannover[4]	100.00
HLV Aktien, Cologne[16]	100.00
HLV Alternative Investment Beteiligungen (HLV AIF)/279, Cologne[16]	100.00
HLV New Real Estate GmbH & Co. KG, Cologne[4]	100.00
HLV Real Assets GmbH & Co. KG, Cologne[4]	100.00
HNG Hannover National Grundstücksverwaltung GmbH & Co. KG, Hannover[4]	100.00
HPK Alternative Investment Beteiligungen/283, Cologne[16]	100.00
HPK Corporate, Cologne[16]	100.00
HPK Köln offene Investment GmbH & Co. KG, Cologne	100.00
HR AI Komplementär GmbH, Hannover	100.00
HR GLL Central Europe GmbH & Co. KG, Munich[5]	99.99
HR GLL Central Europe Holding GmbH, Munich[9]	100.00
HR PE GmbH, Hannover	100.00
HV Aktien, Cologne[16]	100.00
Infrastruktur Ludwigsau GmbH & Co. KG, Cologne	100.00
KOP4 GmbH & Co. KG, Munich	79.56
Leben Köln offene Investment GmbH & Co. KG 1, Cologne	100.00
Leben Köln offene Investment GmbH & Co. KG 3, Cologne	100.00
Leben Köln offene Investment GmbH & Co. KG 5, Cologne	100.00
Lifestyle Protection AG, Hilden[13]	100.00
Lifestyle Protection Lebensversicherung AG, Hilden[13]	100.00
LPV Lebensversicherung AG, Hilden[13]	100.00
LPV Versicherung AG, Hilden[13]	100.00
neue leben Holding AG, Hamburg	67.50
neue leben Lebensversicherung AG, Hamburg[13]	100.00
neue leben Unfallversicherung AG, Hamburg[13]	100.00
NL Leben offene Investment GmbH & Co. KG, Cologne	100.00
nl LV Alternative Investment Beteiligungen (NLL AIF)/281, Cologne[16]	100.00

1. AFFILIATED COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

	Equity interest[1] in %
NL Master, Cologne[16]	100.00
PB Leben offene Investment GmbH & Co. KG 2, Cologne	100.00
PB Leben offene Investment GmbH & Co. KG 3, Cologne	100.00
PBL Alternative Investment Beteiligungen/282, Cologne[16]	100.00
Qualität & Sicherheit, Cologne[16]	100.00
Sustainable Timber Asia GmbH, Cologne	100.00
TAL Aktien, Cologne[16]	100.00
TAL Alternative Investment Beteiligungen (TAL AIF)/280, Cologne[16]	100.00
Talanx AG, Hannover	100.00
Talanx Deutschland Real Estate Value, Cologne[16]	100.00
Talanx Infrastructure France 1 GmbH, Cologne	100.00
Talanx Infrastructure France 2 GmbH, Cologne	100.00
Talanx Infrastructure Portugal 2 GmbH, Cologne	100.00
Talanx Reinsurance Broker GmbH, Hannover[3, 13]	100.00
TAL-Corp, Cologne[16]	100.00
TARGO Leben offene Investment GmbH & Co. KG, Cologne	100.00
TARGO Lebensversicherung AG, Hilden[13]	100.00
TARGO Versicherung AG, Hilden[13]	100.00
TD Real Assets GmbH & Co. KG, Cologne	100.00
TD-BA Private Equity GmbH & Co. KG, Cologne[4]	100.00
TD-Sach Private Equity GmbH & Co. KG, Cologne[4]	100.00
Windfarm Bellheim GmbH & Co. KG, Cologne	100.00
Windpark Mittleres Mecklenburg GmbH & Co. KG, Cologne	100.00
Windpark Parchim GmbH & Co. KG, Cologne	51.00
Windpark Rehain GmbH & Co. KG, Cologne	100.00
Windpark Sandstruth GmbH & Co. KG, Cologne	100.00
Windpark Vier Fichten GmbH & Co. KG, Cologne	100.00
WP Berngerode GmbH & Co. KG, Cologne	100.00
WP Mörsdorf Nord GmbH & Co. KG, Cologne	100.00
Zenit BV GmbH, Cologne[3]	100.00
ZG Zenit Grundstücksgesellschaft mbH, Cologne[3]	100.00
Zweite Riethorst Grundstücksgesellschaft mbH, Hannover[3, 13]	100.00
Foreign	
101BOS LLC, Wilmington, USA[6]	100.00
111ORD, LLC, Wilmington, USA[6]	100.00
140EWR, LLC, Wilmington, USA[6]	100.00
193 BCN, S. L., Madrid, Spain[9]	100.00
405SFO LLC, Wilmington, USA[6]	100.00
590ATL LLC, Wilmington, USA[6]	100.00
1600FLL LLC, Wilmington, USA[6]	100.00
1375MCO LLC, Wilmington, USA[6]	100.00
2530AUS LLC, Wilmington, USA[6]	100.00
320AUS LLC, Wilmington, USA[6]	100.00
3290ATL LLC, Wilmington, USA[6]	100.00
3541 PRG s. r. o., Prag, Tschechien[9]	100.00
402 Santa Monica Blvd, LLC, Wilmington, USA[6]	100.00
7550BWI LLC, Wilmington, USA[6]	100.00
7550IAD LLC, Wilmington, USA[6]	100.00
7653BWI LLC, Wilmington, USA[6]	100.00
7659BWI LLC, Wilmington, USA[6]	100.00
11809AUS LLC, Wilmington, USA[6]	100.00
17440IAH LLC, Wilmington, USA[6]	100.00
17440IAH LP, Wilmington, USA[6]	100.00
92601 BTS s. r. o., Bratislava, Slovakia[9]	100.00
975 Carroll Square, LLC, Wilmington, USA[6]	100.00
Akvamarin Beta, s. r. o., Prague, Czech Republic[9]	100.00
Annuity Reinsurance Cell A1 (ARCA1), Hamilton, Bermuda	100.00
APCL Corporate Director No. 1 Limited, London, United Kingdom[8]	100.00
APCL Corporate Director No. 2 Limited, London, United Kingdom[8]	100.00
Apoquindo 5400 Chile Holding S. A., Santiago, Chile[6]	100.00
Apoquindo CL SpA, Santiago, Chile[6]	100.00
Argenta Continuity Limited, London, United Kingdom[8]	100.00
Argenta Employee LLP, London, United Kingdom[8]	100.00
Argenta General Partner II LLP, Edinburgh, United Kingdom[8]	100.00
Argenta General Partner Limited, Edinburgh, United Kingdom[8]	100.00
Argenta Holdings Limited, London, United Kingdom[5]	100.00
Argenta International Limited, London, United Kingdom[8]	100.00
Argenta LLP Services Limited, London, United Kingdom[8]	100.00
Argenta Private Capital Limited, London, United Kingdom[8]	100.00
Argenta Secretariat Limited, London, United Kingdom[8]	100.00
Argenta SLP Continuity Limited, Edinburgh, United Kingdom[8]	100.00
Argenta Syndicate Management Limited, United Kingdom[8]	100.00
Argenta Tax & Corporate Services Limited, London, United Kingdom[8]	100.00
Argenta Underwriting Asia Pte. Ltd., Singapore, Singapore[8]	100.00
Argenta Underwriting (Europe) Limited, Dublin, Ireland[8]	100.00
Argenta Underwriting No. 1 Limited, London, United Kingdom[8]	100.00
Argenta Underwriting No. 2 Limited, London, United Kingdom[8]	100.00
Argenta Underwriting No. 3 Limited, London, United Kingdom[8]	100.00
Argenta Underwriting No. 4 Limited, London, United Kingdom[8]	100.00
Argenta Underwriting No. 7 Limited, London, United Kingdom[8]	100.00
Argenta Underwriting No. 9 Limited, London, United Kingdom[8]	100.00
Argenta Underwriting No. 10 Limited, London, United Kingdom[8]	100.00
Argenta Underwriting No. 11 Limited, London, United Kingdom[8]	100.00
ASF Spectrum Limited, George Town, Cayman Islands[10]	100.00
Bowen Investment Limited Partnership, Auckland, New Zealand[10]	80.00
Broadway 101, LLC, Wilmington, USA[6]	100.00

1. AFFILIATED COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

	Equity interest[1] in %
Callisto, Mailand, Italy[9]	100.00
CC Aeolus Pte. Ltd., Singapore, Singapore[10]	100.00
CC Anchor Pte. Ltd., Singapore, Singapore[10]	100.00
Commercial & Industrial Acceptances (Pty) Ltd., Johannesburg, South Africa[7]	85.00
Compass Insurance Company Ltd., Johannesburg, South Africa[7]	100.00
Construction Damage Assessors (Pty) Ltd., Centurion, South Africa[7]	51.00
Europa Millennium Financial Service Spólka z ograniczona odpowiedzialnoscia, Wrocław, Poland	80.00
Ferme Eolienne des Mignaudieres SNC, Toulouse, France	100.00
Ferme Eolienne du Confolentais SNC, Toulouse, France	100.00
Fiba Sigorta A. Ş., Istanbul, Türkiye	50.00
Film & Entertainment Underwriters SA (Pty) Ltd., Johannesburg, South Africa[7]	100.00
Firedart Engineering Underwriting Managers (Pty) Ltd., Johannesburg, South Africa[7]	100.00
Fountain Continuity Limited, Edinburgh, United Kingdom[8]	100.00
FRACOM FCP, Paris, France[16]	100.00
Funderburk Lighthouse Limited, Grand Cayman, Cayman Islands	100.00
G5 Aconcagua Fundo Renta Fixa Referenciado DI, São Paulo, Brazil[16]	100.00
Garagesure Consultants and Acceptances (Pty) Ltd., Johannesburg, South Africa[7]	90.00
Glencar Insurance Company, Orlando, USA	100.00
Glencar Underwriting Managers, Inc., Chicago, USA	100.00
GLL HRE CORE Properties, L. P., Wilmington, USA[6]	99.90
Hannover Finance, Inc., Wilmington, USA	100.00
Hannover Finance (Luxembourg) S. A., Leudelange, Luxembourg	100.00
Hannover Finance (UK) Ltd., London, United Kingdom	100.00
Hannover Life Reassurance Company of America (Bermuda) Ltd., Hamilton, Bermuda	100.00
Hannover Life Reassurance Company of America, Orlando, USA	100.00
Hannover Life Re of Australasia Ltd., Sydney, Australia	100.00
Hannover Re (Bermuda) Ltd., Hamilton, Bermuda	100.00
Hannover Re Holdings (UK) Ltd., London, United Kingdom	100.00
Hannover Re (Ireland) Designated Activity Company, Dublin, Ireland	100.00
Hannover Re Real Estate Holdings, Inc., Orlando, USA[5]	100.00
Hannover Re South Africa Limited, Johannesburg, South Africa[7]	100.00
Hannover Africa Limited, Johannesburg, South Africa[7, 15]	100.00
Hannover Reinsurance Group Africa (Pty) Ltd., Johannesburg, South Africa[5]	100.00
Hannover ReTakaful B. S. C. (c), Manama, Bahrain	100.00
Hannover Services (UK) Ltd., London, United Kingdom	100.00
HDI Assicurazioni S. p. A., Rome, Italy	100.00
HDI Global Insurance Company, Chicago, USA	100.00
HDI Global SA Ltd., Johannesburg, South Africa	100.00
HDI Global Seguros S. A., Mexico City, Mexico	100.00
HDI Global Seguros S. A., São Paulo, Brazil	100.00
HDI Global Select Insurance Company, Indianapolis, USA (formerly: Indiana Lumbermens Insurance Company, Indianapolis, USA)	100.00
HDI Fiba Emeklilik A. Ş., Istanbul, Türkiye	60.00
HDI Immobiliare S. r. l., Rome, Italy	100.00
HDI Katılım Sigorta A. Ş., Istanbul, Türkiye	100.00
HDI Lionel East Holdings Ltd., Madrid, Spain	100.00
HDI Lionel Holding LLC, Madrid, Spain	100.00
HDI Lionel West Holdings Ltd., Madrid, Spain	100.00
HDI Reinsurance (Ireland) SE, Dublin, Ireland	100.00
HDI Seguros Colombia S. A., Bogotá, Colombia	99.99
HDI Seguros do Brasil S. A., São Paulo, Brazil	100.00
HDI Seguros S. A. de C. V., León, Mexico	99.76
HDI Seguros S. A., Bogotá, Colombia	99.37
HDI Seguros S. A., Quito, Ecuador	100.00
HDI Seguros S. A., Santiago, Chile	99.94
HDI Seguros S. A., São Paulo, Brazil	100.00
HDI Sigorta A. Ş., Istanbul, Turkey	100.00
HDI Specialty Insurance Company, Illinois, USA	100.00
HDI Versicherung AG (Austria), Vienna, Austria	100.00
Highgate sp. z o. o., Warsaw, Poland[9]	100.00
Hospitality Industrial and Commercial Underwriting Managers (Pty) Ltd., Johannesburg, South Africa[7]	85.00
HR GLL CDG Plaza S. r. l., Bucharest, Romania[9]	100.00
HR GLL Europe Holding S. à r. l., Luxembourg, Luxembourg[9]	100.00
HR GLL Griffin House SPÓLKA Z OGRANICZONA ODPOWIEDZIALNÓSCIA, Warsaw, Poland[9]	100.00
HR GLL Liberty Corner SPÓLKA Z OGRANICZONA ODPOWIEDZIALNÓSCIA, Warsaw, Poland[9]	100.00
HR US Infra Debt LP, George Town, Cayman Islands	99.99
HR US Infra Equity LP, Wilmington, USA[6]	99.99
HRE Core Properties Chile Holding SpA, Santiago, Chile[6]	100.00
ICAV Amissima Multi Credit Assets, Milan, Italy[16]	100.00
INCHIARO LIFE Designated Activity Company, Dublin, Ireland	100.00
Indiana Seguros S. A., São Paulo, Brazil	100.00
Infrastorm Co-Invest 1 SCA, Luxembourg, Luxembourg	100.00
InLinea S. p. A., Rome, Italy	100.00
Integra Insurance Solutions Limited, Bradford, United Kingdom	100.00
Inter Hannover (No. 1) Limited, London, United Kingdom	100.00
Inversiones HDI Limitada, Santiago, Chile	100.00
KBC ALFA Specjalistyczny Fundusz Inwestycyjny Otwarty, Warsaw, Poland[16]	100.00
Landmark Underwriting Agency (Pty) Ltd., Bloemfontein, South Africa[7]	82.00
Le Chemin de La Milaine S. N. C, Lille, France	100.00
Leine Investment General Partner S .à r. l., Luxembourg, Luxembourg	100.00
Leine Investment SICAV-SIF, Luxembourg, Luxembourg	100.00
Le Louveng S. A. S., Lille, France	100.00
Le Souffle des Pellicornes S. N. C, Lille, France	100.00
Les Vents de Malet S. N. C, Lille, France	100.00
Lireas Holdings (Pty) Ltd., Johannesburg, South Africa[7]	100.00
M8 Property Trust, Sydney, Australia[10]	100.00
Magdalena CL SpA, Santiago, Chile[6]	100.00

1. AFFILIATED COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

	Equity interest[1] in %
Magdalena Chile Holding S. A., Santiago, Chile[6]	100.00
Markham Real Estate Partners (KSW) Pty Limited, Sydney NSW, Australia[10]	100.00
Morea Limited Liability Company, Tokyo, Japan[10]	99.00
MUA Insurance Acceptances (Pty) Ltd., Cape Town, South Africa[7]	100.00
Names Taxation Service Limited, London, United Kingdom[8]	100.00
Nashville West, LLC, Wilmington, USA[6]	100.00
Ombú CL SpA, Santiago, Chile[6]	100.00
Ombú Chile Holding S. A., Santiago, Chile[6]	100.00
PAG Real Estate Asia Select Fund Limited, George Town, Cayman Islands[5]	100.00
Peace G. K., Tokyo, Japan[10]	99.00
Perola Negra FIP Multiestratégia IE, São Paulo, Brazil[16]	100.00
PLC Elite Mexico Logistics, S. de R. L. de C. V., Mexico City, Mexico[6]	100.00
Real Assist (Pty) Ltd., Pretoria, South Africa[7]	51.00
Residual Services Corporate Director Limited, London, United Kingdom[8]	100.00
Residual Services Limited, London, United Kingdom[8]	100.00
River Terrace Parking, LLC, Wilmington, USA[6]	100.00
Rocky G. K., Tokyo, Japan[10]	99.00
Saint Honoré Iberia S. L., Madrid, Spain	100.00
Sand Lake Re, Inc., Burlington, USA	100.00
Santander Auto S. A., São Paulo – Vila Olimpia, Brazil	50.00
SOMPO SEGUROS FUNDO DE INVESTIMENTO RENDA FIXA, São Paulo, Brazil[16]	100.00
Star Grafton One S.à r. l., Luxemburg, Luxemburg	100.00
Svedea AB, Stockholm, Sweden	100.00
Towarzystwo Ubezpieczeń Europa S. A., Wrocław, Poland	100.00
Towarzystwo Ubezpieczeń i Reasekuracji WARTA S. A., Warsaw, Poland	100.00
Towarzystwo Ubezpieczeń na Życie Europa S. A., Wrocław, Poland	100.00
Towarzystwo Ubezpieczeń na Życie "WARTA" S. A., Warsaw, Poland	100.00
Transit Underwriting Managers (Pty) Ltd., Durban, South Africa[7]	90.00
Ubitech Hub Pte. Ltd., Singapore, Singapore[10]	100.00
Yelum Seguros S. A., São Paulo, Brazil (formerly: Liberty Seguros S. A., São Paulo, Brazil)	100.00

2. AFFILIATED COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRSS DUE TO INSIGNIFICANCE

	Equity interest[1] in %
Domestic	
Ampega BasisPlus Rentenfonds I, Cologne[16]	33.33
Fair Claims GmbH, Hannover[13]	100.00
HDI Deutschland Bancassurance Kundenmanagement Komplementär GmbH, Hilden	100.00
HDI Global Legal Expenses Claims Management GmbH, Hannover (vormals: HDI Global Specialty Schadenregulierung GmbH, Hannover)[13]	100.00
HEPEP IV Komplementär GmbH, Cologne	100.00
HILSP Komplementär GmbH, Hannover	100.00
HINT Beteiligungen GmbH, Hannover	100.00
Infrastruktur Windpark Vier Fichten GbR, Bremen	83.34
IVEC Institutional Venture and Equity Capital GmbH, Cologne	100.00
mantel + schölzel GmbH, Kassel[13]	100.00
mertus 313. GmbH, Frankfurt am Main	100.00
Riethorst Grundstücksgesellschaft AG & Co. KG, Hannover[4]	100.00
SSV Schadenschutzverband GmbH, Hannover[13]	100.00
Talanx Direct Infrastructure 1 GmbH, Cologne	100.00
Talanx Infrastructure Portugal GmbH, Cologne	100.00
TAM AI Komplementär GmbH, Cologne	100.00
Foreign	
Danae, Inc., Wilmington, USA	100.00
David Edwards Insurance Brokers Limited, Coventry, Great Britain	100.00
Desarrollo de Consultores Profesionales en Seguros S. A. de C. V., León, Guanajuato, Mexico	100.00
Dynastic Underwriting Limited, London, United Kingdom	100.00
Edwards Insurance Group Limited, Coventry, Great Britain	90.00
Facil Assist Servicos de Assistencia 24 Horas Ltda, São Paulo, Brazil	100.00
Falcon Risk Holdings LLC, Dallas, USA	80.00
Hannover Re Capital Partners Limited, Hamilton, Bermuda (formerly: Bristol Re Ltd., Hamilton, Bermuda)	100.00
Hannover Re Consulting Services India Private Limited, Mumbai, India	100.00
Hannover Re Risk Management Services India Private Limited, New Delhi, India	100.00
Hannover Re Services Italy S. r.l., Milan, Italy	100.00
Hannover Re Services Japan, Tokyo, Japan	100.00
Hannover Re Services USA, Inc., Itasca, USA	100.00
Hannover Rück SE Escritório de Representação no Brasil Ltda., Rio de Janeiro, Brazil	100.00
Hannover Services (México) S. A. de C. V., Mexico City, Mexico	100.00
HDI Agrega Servicos Ltda, São Paulo, Brazil	100.00
HDI Compañía de Inversiones y Servicios S. A. S., Bogotá, Colombia	100.00
HDI Global (DIFC) LTD, United Arab Emirates, Dubai	100.00
HDI Global Insurance Limited Liability Company, Moscow, Russia	100.00
HDI Global Network AG Escritório de Representação no Brasil Ltda, São Paulo, Brazil	100.00

HDI GLOBAL SE – UK SERVICES LIMITED, London, Great Britain	100.00
HDI Seguros S. A., Buenos Aires, Argentina	100.00
HDI Seguros S. A., Montevideo, Uruguay	100.00
Heuberg S. L. U., Barcelona, Spain	100.00
HR Hannover Re, Correduría de Reaseguros, S. A., Madrid, Spain	100.00
Inter Hannover (No. 2) Limited, London, United Kingdom	100.00
Protecciones Esenciales S. A., Buenos Aires, Argentina	100.00
Svedea Skadeservice AB, Stockholm, Sweden	100.00
Ubezpieczenia Asystent Sp. z o. o, Wrocław, Poland	100.00

3. STRUCTURED ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS 10

	Equity interest[1] in %
Kaith Re Ltd., Hamilton, Bermuda	90.40
Kubera Insurance (SAC) Ltd, Hamilton, Bermuda	100.00
LI RE, Hamilton, Bermuda	100.00

4. ASSOCIATES VALUED USING EQUITY METHOD IN THE CONSOLIDATED FINANCIAL STATEMENTS

	Equity interest[1] in %
Domestic	
HANNOVER Finanz GmbH, Hannover	27.78
neue leben Pensionskasse AG, Hamburg	49.00
WeHaCo Unternehmensbeteiligungs-GmbH, Hannover	40.00
Foreign	
Clarendon Transport Underwriting Managers (Pty) Ltd., Johannesburg, South Africa[7]	25.11
Merica Holdings Pte. Ltd., Singapore, Singapore	34.33
Monument Insurance Group Limited, Hamilton, Bermuda	24.63
PVI Holdings Joint Stock Corporation, Cau Giay, Vietnam	54.99

5. ASSOCIATES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS MEASURED AT FAIR VALUE

	Equity interest[1] in %
Domestic	
HMG Amerigo-Vespucci-Platz 2 GmbH & Co. Geschlossene Investment KG, Hamburg	50.00
HMG Frankfurter Straße 100 GmbH & Co. Geschlossene Investment KG, Hamburg	50.00
HMG Gasstraße 25 GmbH & Co. geschlossene Investment KG, Hamburg	40.24
Foreign	
Escala Braga – Sociedade Gestora de Edifício, S. A., Braga, Portugal	49.00
Escala Parque – Gestão de Estacionamento, S. A., Linhó, Portugal	49.00
Escala Vila Franca – Sociedade Gestora de Edifício, S. A., Linhó, Portugal	49.00
IBERIA TERMOSOLAR 1, S. L., Badajoz, Spain	71.06
PNH Parque – Do Novo Hospital, S. A., Linhó, Portugal	49.00

6. ASSOCIATES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS DUE TO INSIGNIFICANCE

	Equity interest[1] in %
Domestic	
hector digital GmbH, Marpingen	19.00
MachDigital GmbH, Neunkirchen	49.00
VOV GmbH, Cologne	38.00
Foreign	
Assi 90 S. r. l., Milan, Italy[15]	39.75
Bond I. T. Ltd, Herzliya, Israel	10.99
Investsure Technologies Proprietary Limited, Johannesburg, South Africa[7,15]	32.26
Kopano Ventures (Pty) Ltd, Johannesburg, South Africa[7,14]	29.05
Reaseguradora del Ecuador S. A., Guayaquil, Ecuador	30.00
Slate Mobility Holding SARL, Luxembourg, Luxembourg	22.60
Trinity Underwriting Managers Limited, Toronto, Canada	19.70

7. JOINT VENTURES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS DUE TO INSIGNIFICANCE

	Equity interest[1] in %
Domestic	
Finance-Gate Software GmbH, Berlin	40.00
Foreign	
C-QUADRAT Ampega Asset Management Armenia LLC, Yerevan, Armenia	25.10

8. PARTICIPATING INTERESTS

	Equity interest[1] in %		Equity[2] in thousand	Earnings before profit transfer[2] in thousand
Domestic				
Neue SEBA Beteiligungsgesellschaft mbH, Nuremberg	24.46	EUR	92,585	8,219
PT Beteiligungs GmbH, Hannover	29.41	EUR	42,592	–8
Foreign				
Different Technology (Pty) Ltd., Johannesburg, South Africa[12]	12.30	ZAR	29,736	–995
FLS Group AG, Baar, Switzerland	19.99	CHF	3,252	–3,032
Inqaku FC (Pty) Ltd., Port Elizabeth, South Africa[7]	15.08	ZAR	8,713	–3,607
Meribel Mottaret Limited, St. Helier, Jersey[17]	18.96	—	—	—
Mosaic Insurance Holdings Limited, Hamilton, Bermuda	14.18	USD	–15,235	–22,701
Pineapple Tech (Pty) Ltd., Johannesburg, South Africa[7, 12]	10.40	ZAR	242,720	–91,846
Sureify Labs, Inc., Wilmington, USA	10.01	USD	–5,399	–8,443
YOUPLUS Holding AG, Zurich, Switzerland[17]	15.00	—	—	—

9. INVESTMENTS IN LARGE CORPORATIONS EXCEEDING 5% OF THE VOTING RIGHTS

	Equity interest[1] in %
Domestic	
Extremus Versicherungs-AG, Cologne	13.00
M 31 Beteiligungsgesellschaft mbH & Co. Energie KG, Düsseldorf	8.90
Foreign	
Acte Vie S. A. Schiltigheim, France	9.38

1 The equity interests are calculated by adding together all directly and indirectly held interests in accordance with section 16(2) and section 16(4) of the German Stock Corporation Act (AktG).
2 The figures correspond to the local GAAP or IFRS annual financial statements of the companies concerned; currencies other than the euro are indicated.
3 The exemptions permitted under section 264(3) of the German Commercial Code (HGB) were applied.
4 The exemption permitted under section 264b of the HGB was applied.
5 The company prepares its own subgroup financial statements.
6 Included in the subgroup financial statements for Hannover Re Real Estate Holdings, Inc.
7 Included in the subgroup financial statements for Hannover Reinsurance Group Africa (Pty) Ltd.
8 Included in the subgroup financial statements for Argenta Holdings Limited.
9 Included in the subgroup financial statements for HR GLL Central Europe GmbH & Co. KG.
10 Included in the subgroup financial statements for PAG Real Estate Asia Select Fund Limited.
11 No annual report/annual financial statements are available yet because the company was formed in the reporting period.
12 Provisional/unaudited figures as at the 2024 financial year-end.
13 A profit/loss transfer agreement is in force.
14 The company is inactive.
15 The company is in liquidation.
16 Investment funds.
17 No disclosures are made on equity and earnings in accordance with section 313 (3) HGB.

Significant branches of the Group

We define the branch of a Group company as a part of the business without legal capacity, separated from the Group company in terms of space and organisation, which operates under instructions internally and acts autonomously in the market.

The companies in the Talanx Group listed in the following table maintain branches which we consider significant for understanding the Group's situation.

SIGNIFICANT BRANCHES OF THE GROUP

		Insurance revenue[1] in million
Hannover Rück SE		
Hannover Re UK Life Branch, London, United Kingdom	EUR	409
Hannover Rück SE India Branch, Mumbai, India	EUR	194
Hannover Rück SE Canadian Branch, Toronto, Canada	EUR	565
Hannover Rück SE Korea Branch, Seoul, South Korea	EUR	15
Hannover Rück SE Shanghai Branch, Shanghai, China	EUR	1,212
Hannover Rück SE Succursale Française, Paris, France	EUR	551
Hannover Rück SE Hong Kong Branch, Wanchai, Hong Kong	EUR	193
Hannover Rück SE Tyskland Filial, Stockholm, Sweden	EUR	273
Hannover Rueck SE Australian Branch, Sydney, Australia	EUR	725
Hannover Rueck SE Bahrain Branch, Manama, Bahrain	EUR	122
Hannover Rueck SE Malaysian Branch, Kuala Lumpur, Malaysia	EUR	694
HDI Global SE		
HDI Global SE – Australian Branch, Sydney, Australia	EUR	425
HDI Global SE – Branch for Belgium, Brussels, Belgium	EUR	356
HDI Global SE – Direction pour la France, Paris, France	EUR	785
HDI Global SE – Rappresentanza Generale per L'Italia, Milan, Italy	EUR	255
HDI Global SE – the Netherlands, Amsterdam, The Netherlands	EUR	259
HDI Global SE – UK, London, United Kingdom	EUR	425
HDI Versicherung AG (Austria)		
HDI Versicherung AG (Austria) – Czech Republic Branch	EUR	30
HDI Global Specialty SE		
HDI Global Specialty SE, Australian Branch, Sydney, Australia	EUR	324
HDI Global Specialty SE, Canadian Branch, Toronto, Canada	EUR	242
HDI Global Specialty SE, Scandinavian Branch, Stockholm, Sweden	EUR	504
HDI Global Specialty SE, UK Branch, London, United Kingdom	EUR	902

[1] Figures prior to consolidation.

Furthermore, other companies in the Talanx Group maintain additional branches, which must be classified as insignificant individually and in total for the Group.

Prepared and hence authorised for publication on 4 March 2025 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

Independent Auditor's report

To Talanx AG, Hanover

Report on the audit of the consolidated financial statements and of the Group management report

Audit Opinions

We have audited the consolidated financial statements of Talanx AG, Hanover, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of income, consolidated statement of changes in equity and consolidated cash flow statement for the financial year from 1 January to 31 December 2024, and notes, including material accounting policy information. In addition, we have audited the group management report of Talanx AG, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

1. **Measurement of investments using parameters not observable on the market and forward-looking information**

2. **Measurement of certain liabilities from insurance contracts**

Our presentation of these key audit matters has been structured in each case as follows:

1. Matter and issue

2. Audit approach and findings

3. Reference to further information

Hereinafter we present the key audit matters:

1 Measurement of investments using parameters not observable on the market and forward-looking information

1 Investments for own risk of € 144,302 million (80.0% of the consolidated total assets) are reported in the consolidated financial statements

Of these investments, financial assets totalling € 139,753 million are measured at fair value, of which in turn fair values of € 16,636 million are calculated using valuation models or based on third-party value indicators. These investments in particular relate to unlisted securities, other loans, derivatives and investments in infrastructure, private equity and real estate.

Of the investments reported in the consolidated financial statements, financial assets in the amount of € 4,205 million are measured at amortised cost and € 1118,765 million at fair value through other comprehensive income. Of this amount, € 117,989 million is attributable to debt instruments for which a risk provision totalling € 246 million was recognised as at the reporting date to take account of impairments for expected credit losses in accordance with the requirements of IFRS 9 (Expected Credit Loss).

The measurement of investments whose fair value must be determined using valuation models or value indicators from third parties is subject to uncertainty, as input parameters that are not observable in an active market are used for the measurement or comparative values are not always available and therefore estimated values are also used. Forward-looking macroeconomic forecasts are also included in the model valuation to take account of impairments for expected credit losses.

Model-measured investments are subject to an increased measurement risk due to the reduced objectivity and the underlying judgements, estimates and assumptions made by the executive directors. As the estimates and assumptions used, in particular those relating to interest rates and cash flows, and the valuation methods applied may have a material impact on the valuation of these investments and on the Group's assets, liabilities and financial performance, and extensive disclosures on valuation methods and judgements are also required in the notes, this matter was of particular significance in the context of our audit.

2 As part of our audit, we assessed the appropriateness and effectiveness of the controls for the valuation of model-measured investments and investments measured on the basis of third-party indicators. In addition, we assessed, among other things, the integrity of the underlying data and the process for determining the assumptions, estimates and forward-looking information used in the valuation.

With the support of our internal valuation specialists, we also assessed the appropriateness of the methods applied by the executive directors to determine the fair values and the parameters used. We compared the methods and assumptions used to calculate valuation adjustments in the financial year with recognised practices and industry standards and examined the extent to which they are suitable for proper accounting. To assess the inclusion of forward-looking information in the model-based calculation of impairment for expected credit losses, we involved internal specialists with particular expertise in the field of credit risk modelling. We also evaluated the disclosures on valuation methods and judgements contained in the notes to the consolidated financial statements.

On the basis of the audit procedures performed, we were able to satisfy ourselves that the methods and assumptions used by the executive directors to measure certain investments (modelled and measured based on third-party indicators) and the consideration of forward-looking information in determining the impairment for expected credit losses are appropriate overall and that the explanations and disclosures presented in the notes to the consolidated financial statements are appropriate.

3 The Group's disclosures on the measurement of investments are contained in Notes 5 to 14 to the consolidated financial statements.

2 Measurement of certain liabilities from insurance contracts

1 In the consolidated financial statements, liabilities amounting to € 139,315 million (77.2% of the consolidated total assets) are reported under the balance sheet item “Insurance contract liabilities”. Of the “insurance contract liabilities”, € 75,097 million is attributable to the “Liability for incurred claims”, which recognises the expectations regarding insurance claims that have been incurred but not yet settled, and € 64,217 million to the “liability for remaining coverage”.

The liability for incurred claims represent the Group's expectation of future payments for known and unknown claims and benefits as well as the associated expenses. The Group uses various methods to estimate these obligations. In addition, the measurement of this liability requires a high degree of judgement by the executive directors of the Group regarding the assumptions to be made, such as the impact of changing inflation rates, loss developments and regulatory changes. In addition, there is a significant judgement of the executive directors regarding the determination of the discount rate for calculatingthe liability. In particular, product lines with a low claims frequency, high individual claims or long claims settlement periods are usually subject to increased estimation uncertainties.

The liability for remaining coverage represent the present value of the future cash flows estimated by the Group. The measurement is based on complex actuarial methods (hereinafter referred to as the "measurement methods") on the basis of comprehensive processes for determining assumptions about future developments of the insurance portfolios to be valued. Within the measurement of the liabilities, the present values of the estimated future cash flows in particular are affected by possible material uncertainties. This uncertainty stems in particular from the risk of chance, change and error associated with the estimation of the present value of cash flows and the methods and financial and non-financial assumptions used for this purpose. In particular, the assumptions in connection with interest rates, investment income, mortality, disability, longevity, costs and policyholder behaviour have a significant impact on the measurement.

The general measurement model (GMM), the variable fee approach (VFA) and the premium allocation approach (PAA) are used to measure liabilities from insurance contracts.

Against this background and due to the complexity of determining the underlying assumptions and estimates made by the executive directors, the measurement of these liabilities was of particular significance in the context of our audit.

2 As part of our audit, we assessed the appropriateness of selected controls of the Group for selecting the valuation methods applied as well as for determining assumptions and making estimates for the measurement of certain liabilities from insurance contracts issued.

With the involvement of our internal valuation specialists, we have compared the valuation methods and key assumptions with generally recognised actuarial methods and industry standards and examined to what extent these are suitable for measuring the liabilities.

Our audit also included an evaluation of the appropriateness and integrity of the data and assumptions, including the assessment of the executive directors regarding the impact of changing inflation rates, used in the valuation and a reconstruction of the claims settlement process. Furthermore, we recalculated the amount of the liability for selected lines of product, in particular lines of product with large liability amounts or increased estimation uncertainties. For these lines of product, we compared the amounts calculated by us with the values determined by the Group for the liabilites and evaluated any differences. We also examined whether any adjustments to estimates in the loss reserves were adequately documented and substantiated. A further focus was the assessment of the cash flows used by the IT systems used as well as the appropriate derivation and use of assumptions for the measurement of selected liabilities.

Based on our audit procedures, we were able to satisfy ourselves that the methods, estimates and assumptions used by the executive directors are appropriate overall for the measurment of certain liabilities from insurance contracts.

3 The Group's disclosures on the measurement of certain liabilities from insurance contracts are contained in Notes 3 and 18 to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section "Corporate Governance" of the group management report
- the section „Preface to the sustainability statement, that also fulfils the requirements for the group non-financial statement prepared in accordance with sections 315b to 315c HGB" of the group management report
- the non-financial group statement to comply with §§ 315b to 315c HGB included in section "Sustainability statement, that also fulfils the requirements for the group non-financial statement prepared in accordance with sections 315b to 315c HGB" of the group management report
- the section "Effectiveness of risk management and the ICS" of the group management report
- the table "Accumulation scenarios including noncontrolling interests, effect on own funds" included in section "Risk profile" of the group management report

The other information comprises further

- the remuneration report pursuant to § 162 AktG [Aktiengesetz: German Stock Corporation Act], for which the supervisory board is also responsible
- all remaining parts of the annual report – excluding crossreferences to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file Talanx_AG_KA+KLB_ESEF-2024-12-31_de.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 7 May 2024. We were engaged by the supervisory board on 7 August 2024. We have been the group auditor of the Talanx AG, Hanover, without interruption since the financial year 2018.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an other matter– use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Martin Eibl.

Hanover, March 17, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Martin Eibl	ppa. Philipp Rütter
Wirtschaftsprüfer	Wirtschaftsprüfer
[German public auditor]	[German public auditor]

Assurance report of the independent German Public Auditor

on a limited assurance engagement in relation to the group sustainability statement

To Talanx AG, Hannover

Assurance Conclusion

We have conducted a limited assurance engagement on the group sustainability statement of Talanx AG, Hannover, (hereinafter the "Company") included in section "Sustainability statement, that also fulfils the requirements for the group non-financial statement prepared in accordance with sections 315b to 315c HGB" of the group management report, which is combined with the Company's management report, for the financial year from January 1 to December 31, 2024 (hereinafter the "Group Sustainability Statement"). The Group Sustainability Statement has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ [Articles] 315b to 315c HGB [Handelsgesetzbuch: German Commercial Code] to prepare a group non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, § 315c in conjunction with §§ 289c to 289e HGB to prepare a group non-financial statement as well as with the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that no matters have come to our attention that cause us to believe:

- that the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Group Sustainability Statement (hereinafter the "materiality assessment") is not, in all material respects, in accordance with the description set out in section "materiality assessment" of the Group Sustainability Statement, or
- that the disclosures set out in section "Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation)" of the Group Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement" section.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibility of the Executive Directors and the Supervisory Board for the Group Sustainability Statement

The executive directors are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Group Sustainability Statement in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Group Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

Inherent Limitations in the Preparation of the Group Sustainability Statement

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. Therefore, the executive directors have disclosed their interpretations of such wording and terms in section "basis for preparation" and "strategy and business model" of the Group Sustainability Statement. The executive directors are responsible for the defensibility of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the Company to identify the information to be included in the Group Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the Company and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Statement.
- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Group Sustainability Statement, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Statement.
- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.
- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement.

- performed site visits.
- considered the presentation of the information in the Group Sustainability Statement.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Hannover, March 17, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Martin Eibl	sgd. Kristina Stiefel
Wirtschaftsprüfer	Wirtschaftsprüferin
[German public auditor]	[German public auditor]

Responsibility statement

To the best of our knowledge, and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group, and the Group management report, which is combined with the management report of Talanx AG, 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.

Hannover, 4 March 2025

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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Online Annual Report
https://www.talanx.com/en/investor_relations/reporting/financial_reports

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Financial calendar 2025

8 May
Annual General Meeting

15 May
Quarterly Statement as at 31 March

14 August
Interim Report as at 30 June

14 November
Quarterly Statement as at 30 September