

talanx.

Talanx AG at a glance

	2013	2012	2011
Figures in EUR thousand			
Net income from participations	594,445	365,546	247,005
Net interest income	-130,672	-145,864	-144,476
Other operating income	20,548	20,709	102,661
Other operating expenses and write-downs	78,080	100,980	103,172
Result from ordinary activities	406,240	139,411	102,018
Extraordinary result	-14,009	-14,009	-14,009
Tax expense	23,018	-5,515	12,101
Net income for the financial year	369,213	130,917	75,907
Retained profits brought forward	242,259	376,599	300,691
Disposable profit	611,472	507,516	376,599
Long-term financial assets	7,398,787	7,414,203	6,331,574
Equity			
Subscribed capital	315,997	315,782	260,000
Capital reserves	1,394,223	1,390,397	629,529
Revenue reserves	2,901,819	2,902,758	2,902,758
Disposable profit	611,472	507,516	376,599
Total equity	5,223,511	5,116,453	4,168,886
Borrowed funds with a term in excess of 1 year ¹⁾	1,618,870	871,106	1,274,637

For mathematical reasons rounding differences of \pm one unit may occur in the tables.

¹⁾ The amount stated for borrowed funds with a term in excess of 1 year refers exclusively to the liabilities recognised in the balance sheet under Item C

The definitions of the key figures reported above are provided at the end of this report in the chapter “Glossary and definitions of key figures”.

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Report of the Supervisory Board

Ladies and Gentlemen,

The Supervisory Board fulfilled its duties in accordance with statutory requirements, the Articles of Association and the Rules of Procedure without restriction in the 2013 financial year. We considered at length the economic situation, risk position and strategic development of Talanx AG and its major subsidiaries. We advised the Board of Management on the company's direction, monitored the management of business and were directly involved in decisions of fundamental importance.

In the year under review we assembled for four ordinary meetings of the Supervisory Board, held on 20 March, 14 May, 13 August and 13 November 2013, and for one constitutive Supervisory Board meeting on 6 May 2013. As in the previous year, the Federal Financial Supervisory Authority (BaFin) exercised its legal powers to send two representatives to attend one of these meetings. The Finance and Audit Committee of the Supervisory Board held four ordinary meetings and one constitutive meeting, the Personnel Committee three meetings and the Nomination Committee one meeting. The Standing Committee formed in accordance with the requirements of the German Co-Determination Act (MitbestG) had no reason to meet in 2013. The full Supervisory Board was briefed on the work of the various committees. In addition, we received written and oral reports from the Board of Management, based on the quarterly financial statements, on business operations and the position of the company and Group. At no point in the year under review did we consider it necessary to conduct audit measures pursuant to § 111 Para. 2 Sentence 1 of the German Stock Corporation Act (AktG). Where transactions requiring urgent approval arose between meetings, the Board of Management submitted these to us for a written resolution. The Chairmen of the Supervisory Board and Board of Management regularly exchanged views on all material developments and transactions within the company and the Talanx Group. Overall, within the scope of our statutory responsibilities and those prescribed by the Articles of Association, we assured ourselves of the lawfulness,

expediency, regularity and efficiency of the actions of the Board of Management.

The Board of Management provided us with regular, timely and comprehensive information regarding the business and financial situation, including the risk situation and risk management, major capital expenditure projects and fundamental issues of corporate policy and transactions that – although not subject to the approval of the Supervisory Board – nevertheless need to be reported in accordance with the requirements of the Rules of Procedure, as well as the impact of natural disasters, the status of major lawsuits and other material developments at the company and the Group and in Europe (sovereign debt crisis, status of implementation of Solvency II). At our meetings we considered at length the reports provided by the Board of Management and put forward suggestions and proposed improvements. All Supervisory Board meetings were attended by every member, with the exception of the meetings in May, at which one member participated in the adoption of resolutions only through a written vote.

Key areas of discussion for the full Supervisory Board

The following issues formed the primary focus of reporting and were discussed in detail at our meetings: business development of the company and individual Group segments, the situation in German life insurance and specifically the future position of HDI Lebensversicherung AG, the pooling and optimisation of IT services within the in-house company Talanx Systeme AG, the Group's strategic position in Latin America, the future structure of business units in other European countries in the Industrial Lines Division and planning for 2014. We were informed of the reasons why business development for the preceding financial year had diverged from relevant plans and targets, and were able to satisfy ourselves accordingly with the explanations provided.

Risk management within the Group was again a further focus of our deliberations. Risk reporting by the Board of Management was discussed at each meeting of the Supervisory Board. In addition, we considered a number of refinancing measures and issues relating to the expansion and reduction of shareholdings, and gave our agreement prior to the issuing of employee shares to a capital increase utilising the authorised capital. The Supervisory Board also discussed the structure and composition of the company's Board of Management.

In view of § 87 Para. 1 of the German Stock Corporation Act, the full Supervisory Board dealt with the revision of the divisional bonus, the setting of divisional targets for 2014 and the fixing of bonuses for members of the Board of Management, and consulted external sources in its assessment of the appropriateness and structure of remuneration for the Board of Management. In addition, at its meeting on 13 November 2013, the Supervisory Board was informed about the structure of remuneration systems within the Group as required by § 3 Para. 5 of the German Regulation on Remuneration in the Insurance Sector (Versicherungs-Vergütungsverordnung). The fixed remuneration of five members of the Board of Management was also reviewed as at 1 January 2014, whereby horizontal and vertical aspects of remuneration and remuneration concepts were used for comparison and guidance purposes. The issue of the appropriateness of the remuneration system for Group managers was discussed at Supervisory Board meetings on 20 March 2013 and 14 May 2013.

Transactions and measures requiring approval in accordance with legal requirements, the company's Articles of Association and its Rules of Procedure were agreed with the Board of Management following examination and discussion.

Work of the committees

The Supervisory Board has set up various committees to enable it to perform its duties efficiently: the Finance and Audit Committee, which has five members, the Personnel Committee and the Standing Committee, each of which has four members, and the Nomination Committee with three members. The possibility of adding an extra member to the Finance and Audit Committee and to the Personnel Committee was discussed but ultimately rejected. The committees prepare for discussions and the adoption of resolutions by the full Supervisory Board. They also have the authority to pass their own resolutions. Minutes of meetings of the Finance and Audit Committee and the Personnel Committee are also made available to members of the Supervisory Board who do not belong to these committees. The composition of these committees can be found on page 8 of the Annual Report.

Along with preparations for discussion and adoption of resolutions by the full Supervisory Board, the Finance and Audit Committee also carried out in-depth reviews of the quarterly financial statements of the company and the Group. Furthermore, the Finance and Audit Committee received a report from the Board of Management on a possible second listing for the company on the Warsaw Stock Exchange, discussed the findings of an actuarial audit of the net claims reserves for non-life insurance business within the Talanx Group, together with profitability trends at individual Group companies as at 31 December 2012, and considered the internal control system, risk reports and annual reports by Internal Auditing and the Chief Compliance Officer. We also received reports from KPMG on the situation with regard to succession planning in audit management and on trends in the insurance sector as part of a client service review, and discussed KPMG's findings from a status analysis commissioned by the committee regarding risk management and the internal control system in accordance with the Minimum Requirements for Risk Management in Insurance Undertakings (MaRisk VA) at the Talanx Group.

The Personnel Committee – along with preparations for discussion and adoption of resolutions by the full Supervisory Board – set targets for individual members of the Board of Management for the 2014 financial year and gave its permission for a company in which a member of the Supervisory Board holds a stake of 27.9% to provide advisory services to companies in the Talanx Group. Recommendations were also made to the full Supervisory Board with regard to setting bonuses and reviewing fixed remuneration for members of the Board of Management.

The Nomination Committee met on 15 January 2013 and made recommendations regarding nominations for re-election of the shareholder representatives on the Supervisory Board at the Annual General Meeting on 6 May 2013; the recommendations aim to ensure that the composition of the Supervisory Board is both balanced and diverse.

Corporate Governance and declaration of conformity

The Supervisory Board again devoted special attention to the issue of Corporate Governance. At its meeting on 13 November 2013, the Supervisory Board dealt with various amendments to the German Corporate Governance Code (DCGK) as reflected in the version of 13 May 2013 and decided on the limits for the vertical adjustment of remuneration required in accordance with Item 4.2.2 of the Code. The Supervisory Board also received information from the Board of Management about the focal points of human resources work at the Group and the setting up and expansion of diversity management. Intensive discussions took place regarding the findings of an audit investigating the efficiency of the Supervisory Board's activities, which was conducted in April 2013.

Furthermore, almost all members of the Supervisory Board made use of an internal information session offered by the company, which looked at the status and development of risk management within the Group. Although the Supervisory Board attaches great importance to high standards of responsible enterprise management as formulated in the German Corporate Governance Code, it has decided against complying

with the recommendations of Item 4.2.3 Para. 4 of the Code relating to a severance payment cap in Board of Management employment contracts, Item 5.2 Para. 2 regarding the chairmanship of the Audit Committee and Item 4.2.3 Para. 2 regarding the potential need for maximum limits on the payment of Talanx share awards. The reasons for this are stated in the declaration of conformity in accordance with § 161 AktG on observance of the German Corporate Governance Code, which is published in the Group Annual Report as part of the Declaration on Corporate Governance. Further information on corporate governance can be accessed on Talanx AG's website.

Audit of the annual and consolidated financial statements

KPMG AG, Wirtschaftsprüfungsgesellschaft, Hannover, audited Talanx AG's annual financial statements submitted by the Board of Management, the Talanx Group's financial statements drawn up in accordance with International Financial Reporting Standards (IFRS), together with corresponding Management Reports and accounting records. The auditors were appointed by the General Meeting. The Finance and Audit Committee awarded the specific audit mandate and determined that in addition to the usual audit tasks special attention should be given to reviewing the risk report and the remuneration report, with an additional focus in the annual financial statements on provisions for taxes and in the consolidated financial statements on the calculation of minority interests and the determination of contingent liabilities in accordance with IAS 37. The audit focus points of the German Financial Reporting Enforcement Panel (DPR) also formed the basis for various year-end procedures carried out by the auditors. An audit by the DPR in autumn 2013 did not give rise to any complaints.

The audits conducted by the auditors provided no grounds for objection. The audit reports issued were unqualified and state that the accounting records, annual financial statements and consolidated financial statements give a true and fair view of the assets, financial position and net income, and that the Management Reports suitably reflect the annual and consolidated financial statements.

The financial statements and the KPMG audit reports were distributed to all members of the Supervisory Board in good time. They were examined in detail at a Finance and Audit Committee meeting on 18 March 2014 and at a Supervisory Board meeting on 19 March 2014. The auditor took part in the Finance and Audit Committee's deliberations and those of the full Supervisory Board regarding the annual and consolidated financial statements, reported on the conduct of the audits, and was available to provide the Supervisory Board with additional information. In accordance with the final outcome of our own examination of the annual financial statements, the consolidated financial statements, corresponding Management Reports and the audit reports, we concurred with the opinion of the auditors and approved the annual and consolidated financial statements drawn up by the Board of Management.

The annual financial statements are thereby adopted. We approve the statements made in the Management Reports regarding further corporate development. After examination of all relevant considerations we agree with the Board of Management's proposal for the appropriation of disposable profit.

The report on the company's relations with affiliated companies drawn up by the Board of Management in accordance with § 312 of the German Stock Corporation Act has likewise been examined by KPMG Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Hannover, and given the following unqualified audit certificate:

"Having audited the report in accordance with our professional duties, we confirm that

1. Its factual details are correct,
2. In the case of the transactions detailed in the report, the company's expenditure was not unreasonably high."

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

Composition of the Supervisory Board and Board of Management

The term in office of the shareholder representatives on the Supervisory Board expired at the end of the Annual General Meeting on 6 May 2013. Shareholder representatives therefore needed to be re-elected to the Supervisory Board at the General Meeting in 2013. The meeting confirmed Ms. Aschendorf, Mr. Baumgartl, Dr. Lindner, Prof. Dr. Rohkamm and Dr. Schipporeit in their office. The General Meeting elected Dr. Jung, Mr. Lohmann and Mr. Steiner as new members of the Supervisory Board, while the contracts of Dr. Petram, Dr. Rogowski and Mr. Wenning expired at the end of the Annual General Meeting on 6 May 2013. The Supervisory Board thanked Dr. Petram, Dr. Rogowski and Mr. Wenning and expressed appreciation for their many years of valued and faithful cooperation.

The newly elected Supervisory Board re-elected Mr. Baumgartl as Chairman of the Supervisory Board. Prof. Dr. Rohkamm was elected as an additional Deputy Chairman of the Supervisory Board, alongside Mr. Rieger as an employee representative.

Furthermore, the Supervisory Board resolved to renew Mr. Wallin's membership of the Board of Management, which expires in 2014. It also resolved to allow Dr. Noth's membership of the company's Board of Management to expire when his term in office ends on 31 May 2014. The Supervisory Board thanked Dr. Noth.

An expression of thanks to the Board of Management and staff

The positive results of the company and the Group, together with the development of our strategic position, are due to the exceptional performance of the Board of Management and staff. The Supervisory Board would like to give special thanks to the Board of Management and employees for this.

Hannover, 19 March 2014

For the Supervisory Board

Wolf-Dieter Baumgartl
(Chairman)

Boards and Officers of the Company

Supervisory Board

Wolf-Dieter Baumgartl

Chairman

Berg

Former Chairman of
the Board of Management
of Talanx AG

Further current seats on
supervisory boards/control boards:

- Chairman of
the Supervisory Board, HDI V.a.G.
- Member of the Supervisory Board,
Hannover Rück SE
- Member of the Advisory Board,
E+S Rückversicherung AG
- Member of the Administrative Board,
HDI Assicurazioni S. p. A.

Ralf Rieger*

Deputy Chairman

Raesfeld

Employee

HDI Vertriebs AG

Further current seats on
supervisory boards/control boards:

- Member of the Supervisory Board
 - HDI Vertriebs AG
 - Talanx Deutschland AG

Prof. Dr. Eckhard Rohkamm

Deputy Chairman

Hamburg

Former Chairman of
the Board of Management
of ThyssenKrupp Technologies AG

Further current seats on
supervisory boards/control boards:

- Deputy Chairman of
the Supervisory Board HDI V.a.G.

Antonia Aschendorf

Hamburg

Lawyer

Member of the Board
of Management of APRAXA eG

Further current seats on
supervisory boards/control boards:

- Member of the Supervisory Board
 - Berufsförderungswerk
Hamburg GmbH**
 - Grundeigentümer Versicherung
VVaG**
 - Hamburger Friedhöfe AöR**
 - HGV Hamburger Gesellschaft
für Vermögens- und Beteiligungs-
management mbH**

Karsten Faber*

Hannover

Managing Director

Hannover Rück SE,

E+S Rückversicherung AG

Further current seats on
supervisory boards/control boards:

- Chairman of the Supervisory Board
 - Aegidius Rückversicherung AG**
 - AGILA Haustierversicherung AG**
 - European Warranty Partners SE
 - Wertgarantie AG**

Jutta Hammer*

Bergisch Gladbach

Employee

HDI Kundenservice AG

Further current seats on
supervisory boards/control boards:

- Member of the Supervisory Board,
Talanx Deutschland AG

Gerald Herrmann*

Norderstedt

Trade union secretary

Further current seats on
supervisory boards/control boards:

- Member of the Supervisory Board
 - Finanz Informatik GmbH & Co. KG**
(until 29 May 2013)
 - Landesbank Berlin AG**
 - Landesbank Berlin Holding AG**

Dr. Hermann Jung

Heidenheim

Member of the Management Board
of Voith GmbH
(since 6 May 2013)

Further current seats on
supervisory boards/control boards:

- Member of the Supervisory Board,
HDI V.a.G.
- Member of the Economic Advisory
Council, Bayern LB**
- Member of the Regional Advisory
Board Southwest, Commerzbank AG**
- Member of the Administrative Board
Dachser GmbH & CO. KG**

Dr. Thomas Lindner

Albstadt

Chairman of the Board of Management
of Groz-Beckert KG

Further current seats on
supervisory boards/control boards:

- Member of the Supervisory Board,
HDI V.a.G.
- Chairman of the Regional Advisory
Board Stuttgart, Deutsche Bank AG**
- Member of the Regional Advisory
Board Southwest of Commerz-
bank AG**

* Staff representative

** Memberships of supervisory boards and comparable control boards
at other non-Group enterprises in Germany and abroad

Dirk Lohmann

Forch, Switzerland
President of the Administrative Board
and Chairman of the Board of
Management, Secquaero Advisors AG
(since 6 May 2013)

Further current seats on
supervisory boards/control boards:

- President of the Administrative Board, Secquaero Advisors AG, Freienbach, Switzerland**
- Member of the Administrative Board, Schroder Investment Management (Switzerland) AG**
- Member of the Board of Directors
 - Secquaero Re (Guernsey) ICC Ltd., Guernsey**
 - Secquaero Re Vinyard IC Ltd., Guernsey**
 - Secquaero Re Regent IC Ltd., Guernsey**
 - Secquaero Re Rivaner IC Ltd., Guernsey**
 - Secquaero Re Cloudy Bay IC Ltd., Guernsey**
 - Zweigelt Holdings Ltd., Guernsey**

Jutta Mück*

Oberhausen
Employee
HDI-Gerling Industrie Versicherung AG

Further current seats on
supervisory boards/control boards:

- Member of the Supervisory Board
 - HDI-Gerling Industrie Versicherung AG
 - Talanx Service AG

Otto Müller*

Hannover
Employee
Hannover Rück SE

Further current seats on
supervisory boards/control boards:

- Member of the Supervisory Board, Hannover Rück SE

Dr. Hans-Dieter Petram

Inning
Former Member of the Board of
Management of der Deutsche Post AG
(until 6 May 2013)

Further current seats on
supervisory boards/control boards:

- Member of the Board of Directors DHL Global Mail, Florida**

Dr. Michael Rogowski

Heidenheim
Chairman of the Foundation Council
of Hanns-Voith-Stiftung
(until 6 May 2013)

Further current seats on
supervisory boards/control boards:

- Member of the Supervisory Board
 - Carl Zeiss AG** (until 31 March 2013)
 - Klöckner & Co. SE**
 - Vattenfall GmbH**

Katja Sachtleben-Reimann*

Hannover
Employee
Talanx Service AG

Further current seats on
supervisory boards/control boards:

- Member of the Supervisory Board
 - Talanx Service AG
 - Talanx Systeme AG

Dr. Erhard Schipporeit

Hannover
Former Member of the Board of
Management of E.ON AG

Further current seats on
supervisory boards/control boards:

- Member of the Supervisory Board
 - BDO AG**
 - Deutsche Börse AG**
 - Fuchs Petrolub SE**
 - Hannover Rück SE
 - HDI V.a.G.
 - SAP AG**
- Member of the Board of Directors
 - Fidelity Funds SICAV, Luxemburg**
 - TUI Travel plc., London**

Norbert Steiner

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

Further current seats on
supervisory boards/control boards:

- Chairman of the Supervisory Board, K+S KALI GmbH**
- Member of the Supervisory Board, HDI V.a.G.

Prof. Dr. Ulrike Wendeling-Schröder*

Berlin
Professor at Leibniz Universität Hannover

Werner Wenning

Leverkusen
Chairman of the Supervisory Board
of Bayer AG
(until 6 May 2013)

Further current seats on
supervisory boards/control boards:

- Chairman of the Supervisory Board, E.ON AG**
- Member of the Supervisory Board
 - Henkel Management AG**
 - Siemens AG**

* Staff representative

** Memberships of supervisory boards and comparable control boards at other non-Group enterprises in Germany and abroad

Supervisory Board Committees

The Supervisory Board has formed four committees from among its ranks. They support the full Supervisory Board in the performance of its tasks.

Finance and Audit Committee

- Wolf-Dieter Baumgartl, *Chairman*
- Dr. Thomas Lindner
- Ralf Rieger
- Prof. Dr. Eckhard Rohkamm
- Dr. Erhard Schipporeit

Personnel Committee

- Wolf-Dieter Baumgartl, *Chairman*
- Prof. Dr. Eckhard Rohkamm
- Norbert Steiner
- Prof. Dr. Ulrike Wendeling-Schröder

Standing Committee

- Wolf-Dieter Baumgartl, *Chairman*
- Ralf Rieger
- Prof. Dr. Eckhard Rohkamm
- Katja Sachtleben-Reimann

Nomination Committee

- Wolf-Dieter Baumgartl, *Chairman*
- Dr. Thomas Lindner
- Dirk Lohmann

Tasks of the Committees

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 participations 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 bear 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 (§ 31 Para. 3 Co-Determination Act)

Nomination Committee

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

Board of Management

Herbert K. Haas

Chairman

Burgwedel

Chairman of the Board of Management

HDI Haftpflichtverband

der Deutschen Industrie V.a.G.,

Hannover

Responsible on the Talanx Board of Management for:

- Data Protection
- Group Communications
- Information Services (since 1 January 2014)
- Investor Relations
- Group Corporate Development
- Project Portfolio Management
- Legal Affairs
- Internal Auditing
- Executive Staff Functions/Compliance

Further current seats on

supervisory boards/control boards:

- Chairman of the Supervisory Board
 - E+S Rückversicherung AG
 - Hannover Rück SE
 - HDI-Gerling Industrie Versicherung AG
 - HDI Kundenservice AG
 - Talanx Deutschland AG
 - Talanx International AG
 - Talanx Systeme AG
- Member of the Advisory Board, NORD/LB*

Dr. Christian Hinsch

Deputy Chairman

Burgwedel

Deputy Chairman of the Board of Management,

HDI Haftpflichtverband

der Deutschen Industrie V.a.G.,

Chairman of the Board of Management,

HDI-Gerling Industrie Versicherung AG,

Hannover

Responsible on the Talanx Board of Management for:

- Industrial Lines Division
- Facility Management
- Human Resources
- Procurement
- Reinsurance Purchasing

Further current seats on

supervisory boards/control boards:

- Chairman of the Supervisory Board
 - Talanx Reinsurance Broker GmbH
 - Talanx Reinsurance (Ireland) Ltd.
 - Talanx Service AG
- Deputy Chairman of the Supervisory Board
 - EXTREMUS Versicherungs-AG*
 - Talanx Systeme AG
- Member of the Supervisory Board
 - RAG AG*
 - RAG Deutsche Steinkohle AG*

Torsten Leue

Hannover

Chairman of the Board of Management

Talanx International AG, Hannover

Responsible on the Talanx Board of Management for:

- Retail International Division

Further current seats on

supervisory boards/control boards:

- Chairman of the Supervisory Board
 - CiV Hayat Sigorta Anonim Sirketi
 - HDI-Gerling Życie Towarzystwo Ubezpieczeń S.A.
 - HDI Seguros S. A.
 - HDI Sigorta A. Ş.
 - Magyar Posta Életbiztosító Részvénytársaság
 - Towarzystwo Ubezpieczeń Reasekuracji
WARTA Spolka Akcyjna
 - Towarzystwo Ubezpieczeń Europa Spolka Akcyjna
 - Towarzystwo Ubezpieczeń na Życie
WARTA Spolka Akcyjna
- Member of the Supervisory Board, Talanx Service AG
- Deputy Chairman of the Administrative Board,
HDI Assicurazioni S.p.A.

Dr. Thomas Noth

Hannover
Chairman of the Board of Management,
Talanx Systeme AG, Hannover

Responsible on the Talanx Board of Management for:

- Information Services (until 31 December 2013)

Dr. Immo Querner

Celle
Member of the Board of Management,
HDI Haftpflichtverband
der Deutschen Industrie V. a. G.,
Hannover

Responsible on the Talanx Board of Management for:

- Finance/Participating Interests/Real Estate
- Investments
- Controlling
- Collections
- Risk Management
- Accounting/Taxes
- Treasury

Further current seats on
supervisory boards/control boards:

- Chairman of the Supervisory Board
Talanx Asset Management GmbH
- Deputy Chairman of the Supervisory Board
 - Ampega Investment GmbH
 - Talanx Immobilien Management GmbH
 - Talanx Reinsurance Broker GmbH
 - Talanx Service AG
- Member of the Supervisory Board
 - E+S Rückversicherung AG
 - Hannover Rück SE
 - Talanx International AG
 - Talanx Reinsurance (Ireland) Ltd.
 - Talanx Systeme AG
 - TERTIA Handelsbeteiligungsgesellschaft mbH*
- Member of the Stock Exchange Advisory Board,
Frankfurter Wertpapierbörse
- Member of the Administrative Board,
Talanx Finanz (Luxemburg) S. A.

Dr. Heinz-Peter Roß

Gräfelfing
Chairman of the Board of Management,
Talanx Deutschland AG, Hannover

Responsible on the Talanx Board of Management for:

- Retail Germany Division
- Business Organisation

Further current seats on
supervisory boards/control boards:

- Chairman of the Supervisory Board
 - HDI Lebensversicherung AG
 - HDI Versicherung AG
 - HDI Vertriebs AG
 - neue leben Holding Aktiengesellschaft
 - PB Lebensversicherung AG
 - PB Versicherung AG
 - TARGO Lebensversicherung AG
 - TARGO Versicherung AG
- Member of the Supervisory Board
 - Talanx Service AG
 - Talanx Systeme AG
- Member of the Advisory Board
Roland Rechtsschutz Versicherung AG*

Ulrich Wallin

Hannover
Chairman of the Executive Board,
Hannover Rück SE,
Hannover

Responsible on the Talanx Board of Management for:

- Reinsurance Division

Further current seats on
supervisory boards/control boards:

- Chairman of the Supervisory Board
 - Hannover Life Reassurance Company of America
 - Hannover Re (Bermuda) Ltd.
 - Hannover Re (Ireland) Limited
- Member of the Supervisory Board
Hannover Life Re of Australasia Ltd.
- Member of the Advisory Board
 - Barmenia Allgemeine Versicherungs-AG
 - Barmenia Krankenversicherung a. G.
 - Barmenia Lebensversicherung a. G.

* Memberships of supervisory boards and comparable control boards
at other non-Group enterprises in Germany and abroad

Management Report.

As provided for in § 315 Para. 3 of the German Commercial Code (Handelsgesetzbuch; HGB), the Management Report of Talanx AG and the Talanx Group Management Report have been combined and published in the 2013 Group Annual Report. The Management Report of Talanx AG (combined with the Group Management Report) and the annual financial statements for the financial year 2013 are submitted to the operator of the German electronic Federal Gazette (elektronischer Bundesanzeiger) and published in the German electronic Federal Gazette.

The annual financial statements of Talanx AG and the Annual Report for the financial year 2013 can also be found on the internet at www.talanx.com/investor-relations under the heading “Financial reports”.

Annual financial statements. Balance sheet as at 31 December 2013

Assets	31.12.2013	31.12.2012
Figures in EUR thousand		
A. Fixed assets		
I. Intangible fixed assets		
1. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	6,009	5,295
2. Prepayments	2,639	851
	8,648	6,146
II. Tangible fixed assets		
1. Other equipment, operating and office equipment	741	675
2. Prepayments and assets under construction	—	—
	741	675
III. Long-term financial assets		
1. Shares in affiliates	7,235,274	7,074,442
2. Loans to affiliates	141,333	252,924
3. Participating interests	22,180	24,545
4. Long-term securities	—	62,292
	7,398,787	7,414,203
B. Current assets		
I. Receivables and other assets		
1. Receivables from affiliates – thereof due after more than one year: EUR 2,260 thousand (previous year: EUR 2,246 thousand)	260,066	247,063
2. Other receivables and other assets – thereof due after more than one year: EUR 14,644 thousand (previous year: EUR 18,255 thousand)	74,919	102,801
	334,985	349,864
II. Bank balances	161,736	206,816
C. Deferred/prepaid items	4,690	5,080
D. Excess of plan assets over post-employment benefit liability	33	34
Total assets	7,909,620	7,982,818

Equity and liabilities	31.12.2013	31.12.2012
Figures in EUR thousand		
A. Equity		
I. Common shares	315,997	315,782
II. Capital reserves	1,394,223	1,390,397
III. Retained earnings	2,901,819	2,902,758
IV. Disposable profit	611,472	507,516
	5,223,511	5,116,453
B. Provisions		
1. Provisions for pensions and other post-employment benefits	599,762	594,678
2. Provisions for taxes	144,649	128,254
3. Other provisions	76,572	65,476
	820,983	788,408
C. Liabilities		
1. Bonds	564,900	9,000
– thereof convertible: EUR 0 (previous year: EUR 0)		
– thereof due within one year: EUR 0 (previous year: EUR 9,000 thousand)		
2. Liabilities to banks	150,586	500,556
– thereof due within one year EUR 150,586 thousand (previous year: EUR 550,556 thousand)		
3. Trade payables	266	137
– thereof due within one year: EUR 266 thousand (previous year: EUR 137 thousand)		
4. Liabilities to affiliates	1,133,062	1,563,159
– thereof due within one year EUR 79,091 thousand (previous year: EUR 847,053 thousand)		
5. Other liabilities	16,312	4,646
– thereof taxes: EUR 403 thousand (previous year: EUR 263 thousand)		
– thereof social security: EUR 0 (previous year: EUR 2,278 thousand)		
– thereof due within one year: EUR 16,312 (previous year: EUR 3,887 thousand)		
	1,865,126	2,077,498
D. Deferred/prepaid items		
	–	459
Total equity and liabilities	7,909,620	7,982,818

Statement of income for the period from 1 January to 31 December 2013

	31.12.2013	31.12.2012
Figures in EUR thousand		
1. Income from participating interests		
– thereof from affiliates: EUR 371,333 thousand (previous year: EUR 195,189 thousand)	371,333	196,010
2. Income from profit transfer agreements	223,129	170,294
3. Other operating income		
– thereof from currency translation: EUR 738 thousand (previous year: EUR 180 thousand)	20,548	20,709
4. Personnel expenses		
a. Wages and salaries	26,241	21,946
b. Social security, post-employment and other employee benefit costs		
– thereof for post-employment benefits: –EUR 8,532 thousand (previous year: –EUR 6,472 thousand)	–6,016	–4,219
5. Amortisation and write-downs of intangible fixed assets, depreciation and write-downs of tangible fixed assets	1,891	1,538
6. Other operating expenses		
– thereof from currency translation: EUR 493 thousand (previous year: EUR 425 thousand)	54,690	80,559
7. Income from other securities and long-term loans		
– thereof from affiliates: EUR 11,710 thousand (previous year: EUR 10,282 thousand)	11,710	13,289
8. Other interest and similar income		
– thereof from affiliates: EUR 1,275 thousand (previous year: EUR 1,923 thousand)		
– thereof from discounting: EUR 0 (previous year: EUR 242 thousand)	3,977	9,190
9. Write-downs of long-term financial assets and securities classified as current assets	1,274	1,156
10. Interest and similar expenses		
– thereof to affiliates: EUR 78,170 thousand (previous year: EUR 82,833 thousand)		
– thereof accrued interest: EUR 36,815 (previous year: EUR 38,022 thousand)	146,359	168,343
11. Expenses of loss absorption	17	758
12. Profit on ordinary activities	406,240	139,411
13. Extraordinary expenses	14,009	14,009
14. Extraordinary loss	–14,009	–14,009
15. Taxes on income	23,012	–5,519
16. Other taxes	6	4
17. Net income for the financial year	369,213	130,917
18. Retained profits brought forward from previous year	242,259	376,599
19. Disposable profit	611,472	507,516

Notes to the financial statements

General information

The annual financial statements for the financial year 2013 were prepared in accordance with the German Commercial Code (Handelsgesetzbuch; HGB) and the German Stock Corporation Act (Aktiengesetz; AktG).

Accounting and measurement

Measurement: Assets

Intangible fixed assets and operating and office equipment were recognised at cost less amortisation applied in accordance with their customary useful lives. Prepayments were recognised at cost in the balance sheet. Depreciation was applied according to the straight-line method; the periods of useful life range from 3 to 20 years. Low-value assets of up to EUR 150 are immediately recognised as an expense. Low-value assets of up to EUR 410 are fully depreciated/amortised in the year in which they are acquired. In 2009 assets with acquisition and/or production costs of more than EUR 150 and up to EUR 1,000 were recognised in a collective account that is being depreciated over five years.

Shares in affiliated companies were recognised at cost and written down when applicable to their lower fair value.

The fair values of the holding companies were determined by what is termed a “sum-of-parts” valuation, under which the assets and liabilities were stated at their respective fair values. In the case of composite insurance companies and financial service providers, the income approach was used to determine the fair values of participating interests in operating companies. For life insurance companies, the fair value is determined mainly on the basis of updated embedded values. The fair value for various private equity and real estate companies was determined on the basis of the net asset value. Where justified in selected cases, companies were recognised at their carrying amount, especially in relation to events close to the acquisition date.

Loans to affiliated companies and long-term securities were recognised at cost or the nominal amount and are written down when applicable to the permanently lower fair value as at the balance sheet date. Securities intended to be held to maturity to support business operations were valued according to the modified “lower of cost or market” principle in accordance with § 253 Para. 3 HGB. The fair value of loans to affiliated companies was determined with the aid of product- and rating-specific yield curves. The spreads used make allowance for special constellations such as deposit guarantee, guarantor liability or subordination.

Other participating interests are carried at cost less repayments of capital and write-downs to the permanent fair value. Fair values are determined using an income approach.

Receivables, other assets, bank deposits and current accounts at banks are carried at the nominal amounts.

Since the cost accounts were closed for new postings before the balance sheet date, costs that were posted after the record date for accrued and deferred items were recognised under “Other assets” as “Other receivables”. These accrued and deferred items are offset by estimated costs for the period between the closing of the cost accounts and the balance sheet date, which are reported under “Other provisions” as “Sundry provisions”.

The deferred and accrued items were carried at the nominal amounts unless a lower fair value – if applicable – was to be recognised.

The line item “Excess of plan assets over post-employment benefit liability” constitutes the excess amount remaining after netting of the pension obligations with the assets covering such obligations (principally pension plan reinsurance).

Measurement: Equity and liabilities

In the financial year 2010 the option afforded by § 67 Para. 1 sentence 1 of the Introductory Act to the German Commercial Code (EGHGB) – namely to distribute the required addition to the provisions for pensions over the maximum of 15 years and recognise it in each case as an extraordinary expense – was utilised. This method of accumulation was maintained in the year under review.

Pursuant to § 253 Para. 1 sentence 2 HGB, pension liabilities were recognised at the settlement amount determined in accordance with the principles of commercial prudence and have been discounted in accordance with § 253 Para. 2 sentence 2 HGB over an assumed remaining life of 15 years, using the average interest rate for the last seven years as published by the German Bundesbank in accordance with German Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung; RückAbzinsV). The provisions for pensions for employer-funded commitments and for employee-funded commitments not contingent on securities were calculated in accordance with the entry age normal method based on the actuarial charts “2005G” of Dr. Klaus Heubeck. Benefit adjustments due to surplus sharing from pension plan reinsurance in the case of deferred compensation that is linked to the surplus sharing under pension plan reinsurance is taken into account at a rate of 0.75% p. a.

It should otherwise be noted that the calculation was based on the following assumptions:

Salary increase rate: 2.75%

Pension increase rate: 2.06%

Interest rate: 4.91% as at 31 December 2013

The interest rate applied as at 31 December 2013 was fixed in accordance with the rate published by the Bundesbank as at the measurement date of 30 September 2013.

The fluctuations taken into account correspond to diverse company-specific probabilities depending on age and gender.

The securities-linked employee-financed commitments are exclusively pension commitments covered by fully matched benefit reinsurance, which are measured in accordance with § 253 Para. 1 sentence 3 HGB as required by the German Accounting Standard IDW RS HFA 30 margin no. 74. For these commitments, the settlement amount is consequently equal to the fair value of the actuarial reserve for the life insurance contract plus the surplus share.

Liabilities in respect of anniversary bonuses were valued on the same basis as pension liabilities. In this context, the same assumptions are used to make allowance for salary increases and fluctuation probabilities.

The calculation of the provisions for partial retirement included all employees of the Company who have already taken advantage of partial retirement and/or who are expected to take advantage of the partial retirement regulations. The possible draw-downs were weighted using assumed percentages chosen on the basis of past empirical data. The calculations were performed using the actuarial charts "2005G" of Dr. Klaus Heubeck. The calculations were based on the actuarial decrement tables for active employees. To this end, an actuarial interest rate of 3.68% was applied assuming an average remaining term of three years. A rate of 2.75% was assumed for salary increases. In accordance with § 253 HGB, the provisions are recognised at the required settlement amount. They comprise the provisions for back wages and salaries, the provisions for top-up amounts, the provisions for the additional employer contributions to the statutory pension insurance scheme and provisions for severance.

The provisions for taxes and other provisions take all recognisable risks and contingent liabilities into account and were carried at the settlement amount required according to the principles of commercial prudence.

Provisions with a remaining term of more than one year were discounted at the average market interest rate for the last seven years as determined and published by the German Bundesbank in accordance with the RückabzinsV.

Subordinated liabilities were recognised at their nominal amount.

Other liabilities are recognised at their settlement amounts.

Income received prior to the closing date is recognised under deferred and accrued items if it relates to a specific period thereafter.

Currency translation

If items of the balance sheet or statement of income contain amounts denominated in foreign currency, they were translated at the officially established average exchange rates as at 31 December 2013 for balance sheet items and at transaction rates for items in the statement of income. Shares in affiliated companies recognised at amortised cost using historical exchange rates are an exception in this regard.

Statement of income

The statement of income was prepared in accordance with the nature of expense method. The breakdown of the individual line items in the statement of income differs from the breakdown set out by law in order to accommodate the special characteristics of a holding company. To this end, the items "Income from participating interests" and "Income from profit transfer agreements" are listed first to reflect their considerable significance.

Disclosures on the balance sheet – assets

Statement of changes in fixed assets	Cost 31.12.2012	Additions
Figures in EUR thousand		
A. I. Intangible fixed assets		
1. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets	10,284	2,402
2. Prepayments	851	2,066
3. Total A.I.	11,135	4,468
A. II. Tangible fixed assets		
1. Other equipment, operating and office equipment	1,677	298
2. Total A.II.	1,677	298
Statement of changes in long-term financial assets	Portfolio – carrying amounts 31.12.2012	Additions
Figures in EUR thousand		
A. III. Long-term financial assets		
1. Shares in affiliated companies	7,074,442	228,798
2. Loans to affiliated companies	252,924	–
3. Participating interests	24,545	15
4. Long-term securities	62,292	30,097
5. Total A.III.	7,414,203	809,865

Disclosures on the balance sheet – total equity and liabilities

Other provisions	As at 1.1.2013
Figures in EUR thousand	
B. 3. Other provisions	
Remuneration of Board of Management members	4,110
Remuneration of Supervisory Board members	1,963
Variable compensation/bonuses	2,078
Vacation claims	312
Anniversary bonuses	344
Credit balances in flexitime accounts	133
Partial retirement	436
Obligations assumed	18,679
Consulting costs	7,625
Employers' Liability Association (Berufsgenossenschaft)	58
Compensating levy for non-employment of severely handicapped persons	28
Costs for the preparation of the annual financial statements	919
Interest portion from provisions for taxes	27,406
Other	1,385
Total B.3.	65,476

The settlement amount of the provisions for partial retirement totalled EUR 726 thousand. The fair value of the funds held to cover this liability amounted to EUR 175 thousand as at 31 December 2013. The historical cost of the offset assets is EUR 153 thousand.

Income of EUR 3 thousand from the plan assets covering the provisions for partial retirement was netted in the statement of income with expenses of EUR 26 thousand from interest accruing on the provisions for partial retirement.

Disposals	Reclassifications	Write-ups	Amortisation, depreciation and write-downs, accumulated	Carrying amount 31.12.2013	Carrying amount 31.12.2012	Amortisation, depreciation and write-downs 2013
46	—	—	6,631	6,009	5,295	1,689
278	—	—	—	2,639	851	—
324	—	—	6,631	8,648	6,146	1,689
569	—	—	665	741	675	202
569	—	—	665	741	675	202

Disposals	Reclassifi- cations	Write-ups	Amortisation, depreciation and write-downs	Carrying amounts 31.12.2013	Carrying amounts 31.12.2012	Fair values 31.12.2013	Valuation reserves 31.12.2013
67,966	—	—	—	7,235,274	7,074,442	12,731,771	5,496,497
110,317	—	—	1,274	141,333	252,924	150,921	9,588
2,380	—	—	—	22,180	24,545	22,180	—
92,389	—	—	—	—	62,292	—	—
824,007	—	—	1,274	7,398,787	7,414,203	12,904,872	5,506,085

Use	Reversal	Addition	Accrued interest/ interest rate change	Offset (carried forward)	Carrying amount 31.12.2013
1,605	—	4,173	10	—	6,688
1,963	—	2,127	—	—	2,127
2,078	—	2,257	—	—	2,257
312	—	256	—	—	256
56	—	—	14	—	302
133	—	91	—	—	91
138	—	229	26	-2	551
—	—	895	—	—	19,574
6,932	693	4,931	—	—	4,931
56	2	63	—	—	63
27	1	34	—	—	34
846	53	939	—	—	959
—	—	9,165	750	—	37,321
1,280	10	1,323	—	—	1,418
15,426	759	26,483	800	-2	76,572

Notes to the balance sheet – assets

A.I.1. Purchased concessions, industrial and similar rights and assets, and licences in such rights and assets

An amount of EUR 6,009 thousand was recognised for purchased software.

A.III.1. Shares in affiliated companies

The addition reflects voluntary contributions to capital reserves at Talanx Finanz (Luxemburg) S. A. in the amount of EUR 176,798 thousand, Hannover Beteiligungsgesellschaft mbH in the amount of EUR 2,000 thousand, Talanx International AG in the amount of EUR 30,000 thousand and Talanx Reinsurance (Ireland) Ltd. in the amount of EUR 20,000 thousand. Decreases resulted from withdrawals at Talanx Beteiligungs-GmbH & Co. KG in the amount of EUR 67,963 thousand and at Alstertor Erste Beteiligungs- und Investitionssteuerungs-GmbH & Co. KG in the amount of EUR 2 thousand, which served to reduce the carrying amounts.

	Share of capital ¹⁾ in %	Equity ²⁾ in EUR thousand	Result before profit transfer ²⁾ in EUR thousand
1. Shares in affiliated companies in Germany			
Alstertor Erste Beteiligungs- und Investitionssteuerungs-GmbH & Co. KG, Hamburg ¹⁵⁾	100.00	4,178	578
Alstertor Zweite Beteiligungs- und Investitionssteuerungs-GmbH & Co. KG, Hamburg ¹⁵⁾	100.00	28,202	—
Ampega Investment GmbH (formerly: AmpegaGerling Investment GmbH), Cologne ^{15), 25)}	100.00	7,936	10,112
Bureau für Versicherungswesen Robert Gerling & Co. GmbH, Cologne ^{15), 25)}	100.00	26	-18
CiV Grundstücksgesellschaft mbH & Co. KG, Hilden ^{4), 15)}	100.00	24,878	-229
CiV Immobilien GmbH, Hilden ¹⁵⁾	100.00	30	—
Credit Life International Lebensversicherung AG, Hilden ^{21), 25)}	100.00	7,496	-185
Credit Life International Versicherung AG, Hilden ^{21), 25)}	100.00	4,944	-227
E+S Rückversicherung AG, Hannover ²¹⁾	63.69	645,413	72,000
FUNIS GmbH & Co. KG, Hannover ¹⁸⁾	100.00	25,955	1,603
GERLING Pensionsenthaftungs- und Rentenmanagement GmbH, Cologne ¹⁵⁾	100.00	3,803	-827
GERLING Sustainable Development Project-GmbH i. L., Cologne ^{6), 15)}	100.00	52	-5
Hannover America Private Equity Partners II GmbH & Co. KG, Hannover ²¹⁾	100.00	193,624	23,068
Hannover Beteiligungsgesellschaft mbH, Hannover ¹⁵⁾	100.00	3,557	-2,145
Hannover Euro Private Equity Partners II GmbH & Co. KG, Cologne ²¹⁾	100.00	7,809	4,510
Hannover Euro Private Equity Partners III GmbH & Co. KG, Cologne ²¹⁾	100.00	37,688	2,790
Hannover Euro Private Equity Partners IV GmbH & Co. KG, Cologne ²¹⁾	100.00	58,021	2,945
Hannover Insurance-Linked Securities GmbH & Co. KG, Hannover ¹⁸⁾	100.00	5,935	2,924
Hannover Life Re AG, Hannover ^{21), 25)}	100.00	1,705,385	90,038
Hannover Re Euro PE Holdings GmbH & Co. KG, Hannover ²¹⁾	100.00	134,474	2,909
Hannover Re Euro RE Holdings GmbH, Hannover ²¹⁾	100.00	633,815	6,170
Hannover Rück Beteiligung Verwaltungs-GmbH, Hannover ^{21), 25)}	100.00	2,071,855	210,032
Hannover Rück SE (formerly: Hannover Rückversicherung AG), Hannover ²¹⁾	50.22	1,837,716	367,162
HAPEP II Holding GmbH, Hannover ²¹⁾	100.00	13,834	4,373
HAPEP II Komplementär GmbH, Hannover ²¹⁾	100.00	28	3
HDI Direkt Service GmbH, Hannover ^{15), 25)}	100.00	51	-307
HDI Kundenservice AG, Cologne ^{3), 15), 25)}	100.00	149	5
HDI Lebensversicherung AG, Cologne ²¹⁾	100.00	401,547	6,000
HDI Pensionsfonds AG, Cologne ²¹⁾	100.00	5,601	74
HDI Pensionskasse AG, Cologne ¹⁵⁾	100.00	29,448	1,200
HDI Versicherung AG, Hannover ^{15), 25)}	100.00	321,907	-17,293
HDI Vertriebs AG, Hannover ^{3), 15), 25)}	100.00	4,083	138
HDI-Gerling Friedrich Wilhelm Rückversicherung AG, Cologne ²¹⁾	100.00	858,709	71,722

	Share of capital ¹⁾ in %	Equity ²⁾ in EUR thousand	Result before profit transfer ²⁾ in EUR thousand
1. Shares in affiliated companies in Germany			
HDI-Gerling Industrie Versicherung AG, Hannover ^{15), 25)}	100.00	406,536	81,637
HDI-Gerling Schadenregulierung GmbH, Hannover ^{15), 25)}	100.00	25	-4
HDI-Gerling Sicherheitstechnik GmbH, Hannover ^{15), 25)}	100.00	2,892	—
HDI-Gerling Welt Service AG, Hannover ^{15), 25)}	100.00	91,378	-74
HEPEP II Holding GmbH, Cologne ²¹⁾	100.00	3,605	526
HEPEP II Komplementär GmbH, Cologne ²¹⁾	100.00	37	1
HEPEP III Holding GmbH, Cologne ²¹⁾	100.00	7,672	579
HEPEP III Komplementär GmbH, Cologne ²¹⁾	100.00	18	1
HEPEP IV Komplementär GmbH, Cologne ²¹⁾	100.00	20	1
HG-I AI USD Beteiligungs-GmbH & Co. KG, Cologne ¹²⁾	100.00	—	—
HG-I Alternative Investments Beteiligungs-GmbH & Co. KG, Cologne ¹⁵⁾	100.00	104,786	7,756
HILSP Komplementär GmbH, Hannover ¹⁸⁾	100.00	25	-1
HNG Hannover National Grundstücksverwaltung GmbH & Co KG, Hannover ^{4), 15)}	100.00	46,296	-554
HR GLL Central Europe GmbH & Co. KG, Munich ^{7), 21)}	99.99	175,644	538
HR GLL Central Europe Holding GmbH, Munich ^{11), 21)}	100.00	61,950	-75
International Hannover Holding AG, Hannover ²¹⁾	100.00	42	-3
IVEC Institutional Venture and Equity Capital AG, Cologne ¹⁵⁾	100.00	131,633	5,766
Nassau Assekuranzkontor GmbH, Cologne ^{15), 25)}	100.00	-7	-32
neue leben Holding AG, Hamburg ¹⁵⁾	67.50	76,022	20,401
neue leben Lebensversicherung AG, Hamburg ^{21), 25)}	100.00	51,527	18,210
neue leben Unfallversicherung AG, Hamburg ^{21), 25)}	100.00	3,596	3,867
Oval Office Grundstücks GmbH, Hannover ²¹⁾	100.00	59,411	1,554
PB Lebensversicherung AG, Hilden ^{21), 25)}	100.00	57,715	24,800
PB Pensionsfonds AG, Hilden ^{21), 25)}	100.00	5,038	582
PB Pensionskasse AG, Hilden ²¹⁾	100.00	6,457	74
PB Versicherung AG, Hilden ²¹⁾	100.00	10,977	4,507
Riethorst Grundstücksgesellschaft AG & Co. KG, Hannover ^{4), 15)}	100.00	173,325	4,886
Shamrock Marine-Insurance Agency GmbH, Hamburg ^{15), 25)}	100.00	25	-67
SSV Schadenschutzverband GmbH, Hannover ^{15), 25)}	100.00	200	508
Talanx Asset Management GmbH, Cologne ^{3), 15), 25)}	100.00	83,600	40,495
Talanx Beteiligungs-GmbH & Co. KG, Hannover ^{4), 15)}	100.00	90,885	10,897
Talanx Deutschland Bancassurance Communication Center GmbH, Hilden ^{3), 15), 25)}	100.00	630	750
Talanx Deutschland Bancassurance Kundenservice GmbH, Hilden ^{3), 15), 25)}	100.00	75	-286
Talanx Deutschland Bancassurance GmbH, Hilden ^{3), 15), 25)}	100.00	1,089,419	84,239
Talanx Deutschland AG, Hannover ^{3), 15), 25)}	100.00	2,386,981	15,690
Talanx Direct Infrastructure 1 GmbH, Cologne ¹²⁾	100.00	—	—
Talanx Immobilien Management GmbH, Cologne ^{3), 15), 25)}	100.00	2,837	650
Talanx International AG, Hannover ^{3), 21), 25)}	100.00	1,668,846	50,907
Talanx Pensionsmanagement AG, Cologne ^{3), 15), 25)}	100.00	6,414	-340
Talanx Reinsurance Broker GmbH (formerly: Talanx Reinsurance Broker AG), Hannover ^{3), 15), 25)}	100.00	402	15,628
Talanx Service AG, Hannover ^{3), 15), 25)}	100.00	1,746	-690
Talanx Systeme AG, Hannover ^{3), 15), 25)}	100.00	140	-50
TAM AI Komplementär GmbH, Cologne ¹⁵⁾	100.00	24	-1
TARGO Lebensversicherung AG, Hilden ^{21), 25)}	100.00	76,249	42,594
TARGO Versicherung AG, Hilden ^{21), 25)}	100.00	9,492	14,505
TD Real Assets GmbH & Co. KG, Cologne ¹⁵⁾	100.00	90	-9
TD-BA Private Equity Sub GmbH, Cologne ¹⁵⁾	100.00	9,107	-48
TD-BA Private Equity GmbH & Co. KG, Cologne ¹⁵⁾	100.00	11,607	-24
TD-Sach Private Equity GmbH & Co. KG, Cologne ¹⁵⁾	100.00	9,109	7,792
VES Gesellschaft für Mathematik, Verwaltung und EDV mbH, Gevelsberg ^{15), 25)}	100.00	195	-1,332

	Share of capital ¹⁾ in %		Equity ²⁾ in EUR thousand		Result before profit transfer ²⁾ in thousand
2. Shares in affiliated companies outside of Germany					
11 Stanwix, LLC, Wilmington, USA ^{9), 20), 22)}	100.00	USD	35,616	USD	2,976
1225 West Washington, LLC, Washington, USA ^{9), 20), 22)}	100.00	USD	23,430	USD	1,628
300 South Orange Avenue, LLC, Wilmington, USA ^{9), 20), 22)}	100.00	USD	55,550	USD	646
402 Santa Monica Blvd, LLC, Wilmington, USA ^{9), 20), 22)}	100.00	USD	29,353	USD	-5
5115 Sedge Corporation, Chicago, USA ^{6), 9), 20), 22)}	100.00	USD	723	USD	1,108
975 Carroll Square, LLC, Washington, USA ^{9), 20), 22)}	100.00	USD	58,424	USD	1,904
Akvamarin Beta, s. r. o., Prag, Czech Republic ^{11), 21)}	100.00	CZK	80,092	CZK	-28,786
ASPECTA Assurance International Luxembourg S. A., Luxembourg, Luxembourg ¹⁵⁾	100.00	EUR	8,772	EUR	247
Atlantic Capital Corporation, Wilmington, USA ^{6), 8), 20), 22), 24)}	100.00	USD	-111,867	USD	-
Broadway 101, LLC, Orlando, USA ^{9), 20), 22)}	100.00	USD	28,777	USD	506
Cargo Transit Insurance (Pty) Ltd., Helderkruijn, South Africa ^{10), 20)}	80.00	ZAR	-4,499	ZAR	-
Civ Hayat Sigorta A. Ş., Istanbul, Turkey ¹⁵⁾	100.00	TRY	14,495	TRY	1,215
Compass Insurance Company Ltd., Johannesburg, South Africa ^{10), 20)}	100.00	ZAR	125,761	ZAR	-33,816
Construction Guarantee (Pty) Ltd., Parktown, South Africa ^{6), 10), 20)}	60.00	ZAR	-	ZAR	-
Desarrollo de Consultores Profesionales en Seguros S. A. de CV, León, Mexico ¹⁵⁾	100.00	MXN	146	MXN	47
Envirosure Underwriting Managers (Pty) Ltd., Durban, South Africa ^{10), 20)}	60.00	ZAR	40	ZAR	455
Film & Entertainment Underwriters S. A. (Pty) Ltd., Northcliff, South Africa ^{10), 20)}	51.00	ZAR	-1,992	ZAR	-548
Garagesure Consultants and Acceptances (Pty) Ltd., Johannesburg, South Africa ^{10), 20)}	70.00	ZAR	1,468	ZAR	1,689
Gem & Jewel Acceptances (Pty) Ltd., Johannesburg, South Africa ^{10), 20)}	60.00	ZAR	914	ZAR	-60
Gente Compañía de Soluciones Profesionales de México, S. A. de C. V., León, Mexico ¹⁵⁾	100.00	MXN	22,101	MXN	4,492
Gerling Insurance Agency, Inc., Chicago, USA ⁵⁾	100.00	USD	-	USD	-
Gerling Norge A/S, Oslo, Norway ¹⁵⁾	100.00	NOK	258	NOK	10
Glencar Underwriting Managers, Inc., Chicago, USA ¹⁵⁾	49.00	USD	3,013	USD	1,224
GLL HRE Core Properties LP, Wilmington, USA ^{9), 20), 22)}	99.90	USD	221,729	USD	22,920
GLL Terry Francois Blvd, LLC, Wilmington, USA ^{6), 9), 20), 22)}	50.95	USD	-	USD	-
H. J. Roelofs Assuradeuren B.V., Rotterdam, Netherlands ¹⁵⁾	100.00	EUR	917	EUR	44
Hannover Finance (Luxembourg) S. A., Luxembourg, Luxembourg ²¹⁾	100.00	EUR	25,524	EUR	-4,891
Hannover Finance (UK) Limited, Virginia Water, United Kingdom ²¹⁾	100.00	GBP	110,825	GBP	-15
Hannover Finance, Inc., Wilmington, USA ^{7), 20), 22)}	100.00	USD	506,686	USD	9,104
Hannover Life Re Consultants, Inc., Orlando, USA ²¹⁾	100.00	USD	205	USD	-
Hannover Life Re of Australasia Ltd., Sydney, Australia ²¹⁾	100.00	AUD	451,097	AUD	37,827
Hannover Life Reassurance Africa Ltd., Johannesburg, South Africa ^{10), 20)}	100.00	ZAR	530,616	ZAR	203,310
Hannover Life Reassurance Bermuda Ltd., Hamilton, Bermuda ²¹⁾	100.00	EUR	283,004	EUR	35,439
Hannover Life Reassurance Company of America, Orlando, USA ²¹⁾	100.00	USD	196,874	USD	23,228
Hannover Re (Bermuda) Ltd., Hamilton, Bermuda ²¹⁾	100.00	EUR	1,029,006	EUR	170,196
Hannover Re (Guernsey) PCC Ltd., St. Peter Port, Guernsey ²¹⁾	100.00	EUR	181	EUR	-37
Hannover Re (Ireland) Ltd. (formerly: Hannover Re (Ireland) Public Limited Company), Dublin, Ireland ²¹⁾	100.00	EUR	1,361,245	EUR	67,638
Hannover Re Consulting Services India Private Limited, Mumbai, India ¹⁶⁾	100.00	INR	68,929	INR	10,309
Hannover Re Real Estate Holdings, Inc., Orlando, USA ^{7), 21), 22)}	100.00	USD	426,139	USD	18,920
Hannover Re Risk Management Services India Private Limited, Neu Delhi, India ¹²⁾	100.00	INR	-	INR	-
Hannover Re Services Italy S. r. L., Milan, Italy ²⁰⁾	100.00	EUR	651	EUR	133
Hannover Re Services Japan, Tokyo, Japan ²¹⁾	100.00	JPY	96,577	JPY	2,231
Hannover Re Services USA, Inc., Itasca, USA ²⁰⁾	100.00	USD	898	USD	24
Hannover Reinsurance Africa Ltd., Johannesburg, South Africa ^{10), 20)}	100.00	ZAR	752,920	ZAR	96,423
Hannover Reinsurance Group Africa (Pty) Ltd., Johannesburg, South Africa ^{7), 20)}	100.00	ZAR	209,906	ZAR	129,888
Hannover Reinsurance Mauritius Ltd., Port Louis, Mauritius ^{10), 20)}	100.00	MUR	48,048	MUR	-2,130
Hannover ReTakaful B. S. C. (c), Manama, Bahrain ²¹⁾	100.00	BHD	45,880	BHD	4,810
Hannover Risk Consultants B.V., Rotterdam, Netherlands ¹⁵⁾	100.00	EUR	-686	EUR	55
Hannover Rück SE Escritório de Representação no Brasil Ltda., Rio de Janeiro, Brazil ¹⁵⁾	100.00	BRL	1,234	BRL	260
Hannover Services (Mexico) S. A. de C. V., Mexico City, Mexico ¹⁵⁾	100.00	MXN	9,321	MXN	-1,456
Hannover Services (UK) Ltd., Virginia Water, United Kingdom ²¹⁾	100.00	GBP	603	GBP	-63

2. Shares in affiliated companies outside of Germany	Share of capital ¹⁾ in %		Equity ²⁾ in EUR thousand		Result before profit transfer ²⁾ in thousand
HDI Assicurazioni S. p. A., Rome, Italy ¹⁵⁾	100.00	EUR	168,199	EUR	28,758
HDI Gerling Insurance of South Africa Ltd., Johannesburg, South Africa ¹⁵⁾	100.00	ZAR	43,108	ZAR	2,272
HDI HANNOVER International España, Cía de Seguros y Reaseguros S. A., Madrid, Spain ¹⁵⁾	100.00	EUR	52,829	EUR	8,635
HDI Immobiliare S. r. L., Rome, Italy ¹⁵⁾	100.00	EUR	66,106	EUR	285
HDI Seguros S. A., Buenos Aires, Argentina ¹⁷⁾	100.00	ARS	117,619	ARS	20,508
HDI Seguros S. A. de C. V., León, Mexico ¹⁵⁾	99.76	MXN	556,683	MXN	113,757
HDI Seguros S. A., Montevideo, Uruguay ¹⁵⁾	100.00	UYU	111,920	UYU	10,317
HDI Seguros S. A., Santiago, Chile ¹⁵⁾	100.00	CLP	7,652,730	CLP	717,903
HDI Seguros S. A., São Paulo, Brazil ¹⁵⁾	100.00	BRL	743,842	BRL	68,996
HDI Sigorta A. Ş., Istanbul, Turkey ¹⁵⁾	100.00	TRY	50,830	TRY	-45,914
HDI STRAKHUVANNYA (Ukraine), Kiev, Ukraine ¹⁵⁾	99.29	UAH	95,302	UAH	-196
HDI Versicherung AG, Vienna, Austria ¹⁵⁾	100.00	EUR	40,937	EUR	6,295
HDI Zastrahovane AD, Sofia, Bulgaria ¹⁵⁾	94.00	BGL	7,303	BGL	327
HDI-Gerling America Insurance Company, Chicago, USA ¹⁵⁾	100.00	USD	132,209	USD	12,017
HDI-Gerling Assurances S. A., Brussels, Belgium ¹⁵⁾	100.00	EUR	36,630	EUR	5,325
HDI-Gerling Assurances S. A. Luxembourg, Luxembourg, Luxembourg ¹⁵⁾	100.00	EUR	7,414	EUR	1,531
HDI-Gerling de Mexico Seguros S. A., Mexico City, Mexico ¹⁵⁾	100.00	MXN	89,632	MXN	-6,531
HDI-Gerling Participações Ltda., São Paulo, Brazil ¹²⁾	100.00	BRL	—	BRL	—
HDI-Gerling Services S. A., Brussels, Belgium ¹³⁾	100.00	EUR	170	EUR	57
HDI-Gerling Verzekeringen N. V., Rotterdam, Netherlands ¹⁵⁾	100.00	EUR	127,422	EUR	-1,584
HDI-Gerling Welt Service AG Escritório de Representação no Brasil Ltda., São Paulo, Brazil ¹⁵⁾	100.00	BRL	324	BRL	-180
Hospitality Industrial and Commercial Underwriting Managers (Pty) Ltd., Johannesburg, South Africa ^{10), 20)}	90.00	ZAR	1,534	ZAR	1,860
HR GLL CDG Plaza S. r. L., Bucharest, Romania ^{11), 21)}	100.00	RON	171,895	RON	-3,605
HR GLL Europe Holding S. à r. l., Luxembourg, Luxembourg ^{11), 21)}	100.00	EUR	38,877	EUR	-3
HR GLL Griffin House Sp. z.o.o., Warsaw, Poland ^{11), 21)}	100.00	PLN	43,289	PLN	-293
HR GLL Liberty Corner Sp. z.o.o., Warsaw, Poland ^{11), 21)}	100.00	PLN	51,946	PLN	214
HR GLL Roosevelt Kft, Budapest, Hungary ^{11), 21)}	100.00	HUF	547,772	HUF	547,722
HR Hannover Re Correduria de Reaseguros S. A., Madrid, Spain ²¹⁾	100.00	EUR	301	EUR	35
InChiaro Assicurazioni S. p. A., Rome, Italy ¹⁵⁾	51.00	EUR	6,110	EUR	391
InLinea S. p. A., Rome, Italy ¹⁵⁾	70.00	EUR	889	EUR	106
Integral Insurance Solutions Limited, Bradford, United Kingdom ¹⁵⁾	74.99	GBP	1,984	GBP	975
Inter Hannover (No. 1) Ltd., London, United Kingdom ¹⁵⁾	100.00	GBP	-29	GBP	-26
International Insurance Company of Hannover Plc (formerly: International Insurance Company of Hannover Ltd.), London, United Kingdom ²¹⁾	100.00	GBP	143,427	GBP	-6,005
International Mining Industry Underwriters Ltd., London, United Kingdom ²¹⁾	100.00	GBP	552	GBP	63
Inversiones HDI Limitada, Santiago, Chile ¹⁵⁾	100.00	CLP	13,100,687	CLP	406,200
Joint-stock Company Towarzystwo Ubezpieczeń EUROPA.UA Życie, Lviv, Ukraine ¹⁵⁾	100.00	UAH	17,615	UAH	1,292
Joint-stock Company Towarzystwo Ubezpieczeń EUROPA.UA, Lviv, Ukraine ¹⁵⁾	100.00	UAH	9,658	UAH	-1,224
Kaith Re Ltd., Hamilton, Bermuda ²¹⁾	88.00	USD	739	USD	-356
L&E Holdings Limited, London, United Kingdom ¹⁵⁾	100.00	GBP	5	GBP	82
Landmark Underwriting Agency (Pty) Ltd., Bloemfontein, South Africa ^{10), 20)}	75.50	ZAR	1,096	ZAR	-1,450
Leine Investment General Partner S. à r. l., Luxembourg, Luxembourg ^{21), 22)}	100.00	EUR	38	EUR	17
Leine Investment SICAV-SIF, Luxembourg, Luxembourg ^{21), 22)}	100.00	USD	15,547	USD	847
Lireas Holdings (Pty) Ltd., Johannesburg, South Africa ^{10), 20)}	51.00	ZAR	176,476	ZAR	18,990
London & European Title Insurance Services Limited, London, United Kingdom ¹⁵⁾	100.00	GBP	79	GBP	-248
LRA Superannuation Plan Pty Ltd., Sydney, Australia ⁵⁾	100.00	AUD	—	AUD	—
Magyar Posta Biztosító Részvénytársaság, Budapest, Hungary ¹⁵⁾	66.93	HUF	1,847,518	HUF	85,413
Magyar Posta Életbiztosító Részvénytársaság, Budapest, Hungary ¹⁵⁾	66.93	HUF	3,998,108	HUF	710,658
Mediterranean Reinsurance Services Ltd., Hong Kong, China ^{6), 20), 23)}	100.00	USD	125	USD	—
Micawber 185 (Pty) Ltd., Johannesburg, South Africa ^{10), 20)}	100.00	ZAR	20,955	ZAR	2,979
MUA Insurance Acceptances (Pty) Ltd., Cape Town, South Africa ^{10), 20)}	80.00	ZAR	10,142	ZAR	11,934
MUA Insurance Company Ltd., Cape Town, South Africa ^{10), 20)}	100.00	ZAR	7,043	ZAR	-3,289
Nashville (Tennessee) West, LLC, Wilmington, USA ^{9), 20), 22)}	100.00	USD	32,558	USD	3,446

	Share of capital ¹⁾ in %		Equity ²⁾ in EUR thousand		Result before profit transfer ²⁾ in thousand
2. Shares in affiliated companies outside of Germany					
One Winthrop Square, LLC, Wilmington, USA ^{6), 9), 20), 22)}	100.00	USD	-1,280	USD	11,979
OOO Strakhovaya Kompaniya „HDI Strakhovanie“, Moscow, Russia ¹⁵⁾	100.00	RUB	177,622	RUB	10,038
OOO Strakhovaya Kompaniya CIV Life, Moscow, Russia ¹⁵⁾	100.00	RUB	601,017	RUB	309,495
Open Life Towarzystwo Ubezpieczeń Życie S. A., Warsaw, Poland ¹⁵⁾	51.00	PLN	97,580	PLN	22,894
Peachtree (Pty) Ltd., Parktown, South Africa ^{6), 10), 20)}	100.00	ZAR	—	ZAR	—
Protecciones Esenciales S. A., Buenos Aires, Argentina ¹⁴⁾	100.00	ARS	107,870	ARS	13,735
River Terrace Parking, LLC, New York, USA ^{9), 20), 22)}	100.00	USD	23,118	USD	94
Saint Honoré Iberia S. L., Madrid, Spain ¹⁵⁾	100.00	EUR	142	EUR	-43
Scandinavian Marine Agency A/S, Oslo, Norway ¹⁵⁾	52.00	NOK	7,190	NOK	2,011
SUM Holdings (Pty) Ltd., Johannesburg, South Africa ^{10), 20)}	72.20	ZAR	16,377	ZAR	3,484
Svedea AB, Stockholm, Sweden ¹⁵⁾	53.00	SEK	4,639	SEK	-44,881
Talanx Finanz (Luxemburg) S. A., Luxembourg, Luxembourg ¹⁵⁾	100.00	EUR	9,223	EUR	2,392
Talanx Reinsurance (Ireland) Ltd., Dublin, Ireland ¹⁵⁾	100.00	EUR	117	EUR	2
Thatch Risk Acceptances (Pty) Ltd., Cape Town, South Africa ^{10), 20)}	90.00	ZAR	1,082	ZAR	815
Towarzystwo Ubezpieczeń Europa S. A., Wrocław, Poland ¹⁵⁾	50.00	PLN	664,711	PLN	66,923
Towarzystwo Ubezpieczeń i Reasekuracji WARTA S. A., Warsaw, Poland ¹⁵⁾	75.74	PLN	1,933,761	PLN	262,735
Towarzystwo Ubezpieczeń na Życie WARTA S. A., Warsaw, Poland ¹⁵⁾	100.00	PLN	41,051	PLN	-3,940
Towarzystwo Ubezpieczeń na Życie Europa S. A., Wrocław, Poland ¹⁵⁾	100.00	PLN	625,216	PLN	59,988
Transit Underwriting Managers (Pty) Ltd., Cape Town, South Africa ^{10), 20)}	90.00	ZAR	880	ZAR	-111
Woodworking Risk Acceptances (Pty) Ltd., Pietermaritzburg, South Africa ^{10), 20)}	60.00	ZAR	1,790	ZAR	2,249

	Share of fund assets ¹⁾ in %	Fund assets ²⁾ in EUR thousand	Change in fund assets, incl. inflows and outflows of funds ²⁾ in EUR thousand
3. Shares in special funds (in Germany) pursuant to § 285 No. 26 HGB			
Ampega Real Estate Value 3, Cologne ¹⁴⁾	100.00	4	4
Ampega-nl-Euro-DIM-Fonds, Cologne ¹⁴⁾	100.00	486,898	47,870
Ampega-nl-Global-Fonds, Cologne ¹⁴⁾	100.00	41,256	315
Ampega-nl-Rent-Fonds, Cologne ¹⁴⁾	100.00	555,352	38,836
EURO RENT 3 Master (formerly: GERLING EURO-RENT 3), Cologne ¹⁴⁾	100.00	876,268	201,258
Gerling Immo Spezial 1, Cologne ¹⁴⁾	100.00	267,536	4,645
GKL SPEZIAL RENTEN, Cologne ¹⁴⁾	100.00	704,055	103,124
HDI-Gerling Sach Industrials, Cologne ¹⁴⁾	100.00	251,060	15,652
HG-I Aktien VC Dynamic, Cologne ¹²⁾	100.00	—	—
HG-I Aktien VC Strategie, Cologne ¹⁴⁾	100.00	42,512	42,512
HG-I Commodity Strategie, Cologne ¹⁴⁾	100.00	38,569	38,569
HG-I Real Estate EURO, Cologne ¹⁴⁾	100.00	4	4
HGLV-Financial, Cologne ¹⁴⁾	100.00	1,244,050	177,961
HLV 1, Cologne ¹²⁾	100.00	—	—
HLV 2 Master, Cologne ¹²⁾	100.00	—	—
HPK 1, Cologne ¹²⁾	100.00	—	—
HV 1, Cologne ¹²⁾	100.00	—	—
NL Master, Cologne ¹²⁾	100.00	—	—
PBL 1, Cologne ¹²⁾	100.00	—	—
PBL 2 Master, Cologne ¹²⁾	100.00	—	—
PBVL-Corporate, Cologne ¹⁴⁾	100.00	122,625	9,869
Tal 1, Cologne ¹²⁾	100.00	—	—
Tal 2 Master, Cologne ¹²⁾	100.00	—	—
Talanx Deutschland Real Estate Value, Cologne ¹⁴⁾	100.00	4	4
TAL-Corp (formerly: TAL-Corp Rentenspezial), Cologne ¹⁴⁾	100.00	34,443	2,800

4. Shares in special funds (outside of Germany) pursuant to § 285 No. 26 HGB	Share of fund assets ¹⁾ in %		Fund assets ²⁾ in EUR thousand		Change in fund assets, incl. inflows and outflows of funds ²⁾ in thousand
Ampega-Vienna-Bonds-Fonds, Vienna, Austria ¹⁴⁾	100.00	EUR	293,631	EUR	23,055
BNP-HDI Credit FI Renda Fixa Crédito Privado, São Paulo, Brazil ¹⁴⁾	100.00	BRL	105,390	BRL	22,434
Credit Suisse HDI RF Crédito, São Paulo, Brazil ¹⁴⁾	100.00	BRL	114,682	BRL	56,723
FRACOM FCP, Paris, France ¹⁹⁾	100.00	EUR	1,039,751	EUR	26,314
Fundo Invest Cotas Fundos Invest Multimercado Cred Priv HDI Estrategia, São Paulo, Brazil ¹⁴⁾	100.00	BRL	28,572	BRL	28,572
Fundo Invest Renda Fixa Crédito Privado JPM HDI BRASIL, São Paulo, Brazil ¹⁴⁾	100.00	BRL	30,089	BRL	30,089
HSBC FI Renda Fixa Hannover, São Paulo, Brazil ¹⁴⁾	100.00	BRL	165,526	BRL	35,805
HSBC Performance HDI RF Crédito, São Paulo, Brazil ¹⁴⁾	100.00	BRL	85,515	BRL	6,837
KBC ALFA Specjalistyczny Fundusz Inwestycyjny Otwarty, Warsaw, Poland ¹⁴⁾	100.00	PLN	1,437,230	PLN	12,417
TORONY Ingatlan Befektetési Alap, Budapest, Hungary ¹²⁾	70.00	HUF	—	HUF	—
UBS Pactual HDI RF Crédito, São Paulo, Brazil ¹⁴⁾	100.00	BRL	89,309	BRL	7,337

5. Participating interests	Share of capital ¹⁾ in %		Equity ²⁾ in thousand		Result before profit transfer ²⁾ in thousand
Ampega C-QUADRAT Fondsmarketing GmbH, Frankfurt, Germany ¹⁵⁾	50.00	EUR	303	EUR	13
ASPECTA Assurance International AG, Vaduz, Liechtenstein ¹⁵⁾	30.00	CHF	17,594	CHF	7,177
Camargue Underwriting Managers (Pty) Ltd., Parktown, South Africa ^{10), 21)}	26.00	ZAR	11,026	ZAR	7,615
Clarendon Transport Underwriting Managers (Pty) Ltd., Johannesburg, South Africa ^{10), 21)}	32.66	ZAR	16,593	ZAR	27,567
Commercial & Industrial Acceptances (Pty) Ltd., Johannesburg, South Africa ^{10), 21)}	40.00	ZAR	3,894	ZAR	14,934
C-QUADRAT Ampega Asset Management Armenia LLC, Yerevan, Armenia ¹²⁾	25.10	EUR	—	EUR	—
C-QUADRAT Investment AG, Vienna, Austria ¹⁵⁾	25.10	EUR	28,549	EUR	239
Credit Life International Services GmbH, Neuss, Germany ¹⁵⁾	50.00	EUR	61	EUR	1
DFA Capital Management, Inc., Wilmington, USA ¹³⁾	25.37	USD	494	USD	-1,060
Energi, Inc., Peabody, USA ¹⁵⁾	28.50	USD	6,773	USD	-205
Firedart & Construction Guarantee Underwriting Managers (Pty) Ltd., Johannesburg, South Africa ^{10), 21)}	49.90	ZAR	9,403	ZAR	3,082
HANNOVER Finanz GmbH, Hannover, Germany ¹⁵⁾	27.78	EUR	69,697	EUR	6,281
Hannoversch-Kölnische Beteiligungsgesellschaft mbH, Hannover, Germany ¹⁵⁾	50.00	EUR	26	EUR	—
Hannoversch-Kölnische Handels-Beteiligungsgesellschaft mbH & Co. KG, Hannover, Germany ¹⁵⁾	50.00	EUR	28,329	EUR	1,070
Iconica Business Services Limited, Bradford, United Kingdom ¹⁴⁾	25.01	GBP	-1	GBP	-2
IGÉPA Gewerbepark GmbH & Co. Vermietungs KG, Munich, Germany ¹⁵⁾	37.50	EUR	20,550	EUR	8,156
ITAS Vita S. p. A., Trento, Italy ¹⁵⁾	34.88	EUR	80,468	EUR	4,114
Magma HDI General Insurance Company Limited, Kolkata, India ¹⁵⁾	25.50	INR	2,065	INR	-16
neue leben Pensionsverwaltung AG, Hamburg, Germany ¹⁵⁾	49.00	EUR	15,913	EUR	-73
nl-PS Betriebliche Vorsorge GmbH, Erlangen, Germany ¹⁵⁾	50.00	EUR	-1,018	EUR	-987
Petro Vietnam Insurance Holdings, Hanoi, Vietnam ¹⁵⁾	31.82	VND	5,999,892,009	VND	396,980,645
Secquaero ILS Fund Ltd., Georgetown, Cayman Islands ^{15), 22)}	21.04	USD	73,651	USD	2,884
Secquaero Re Vinyard IC Ltd., St. Peter Port, Guernsey ²¹⁾	100.00	USD	35,116	USD	3,612
Synergy Targeted Risk Solutions (Pty) Ltd., Johannesburg, South Africa ^{10), 21)}	20.00	ZAR	941	ZAR	-165
transparo AG, Augsburg, Germany ¹⁷⁾	22.50	EUR	25,790	EUR	-6,450
VOV Verwaltungsorganisation für Vermögensschadenhaftpflicht-Versicherungen für Mitglieder von Organen juristischer Personen GmbH, Cologne, Germany ¹⁵⁾	35.25	EUR	1,547	EUR	218
WeHaCo Unternehmensbeteiligungs-GmbH, Hannover, Germany ¹⁵⁾	40.00	EUR	76,483	EUR	10,358
WetterProtect GmbH, Hildesheim, Germany ¹⁵⁾	41.86	EUR	—	EUR	-45
XS Direct Holding Ltd., Dublin, Ireland ¹⁵⁾	25.00	EUR	2,398	EUR	657

6. Participating interests in large corporations in which the participation exceeds 5% of the voting rights (large corporations within the meaning of § 341a HGB)	Share of capital ¹⁾ in %		Equity ²⁾ in thousand		Result before profit transfer ²⁾ in thousand
Acte Vie S. A. Compagnie d'Assurances sur la Vie et de Capitalisation, Straßbourg, France ¹⁵⁾	9.38	EUR	8,482	EUR	168
Extremus Versicherungs-AG, Cologne, Germany ¹⁵⁾	13.00	EUR	67,240	EUR	6,000
MLP AG, Wiesloch, Germany ¹⁵⁾	9.48	EUR	400,015	EUR	48,691
Swiss Life Holding AG, Zurich, Switzerland ¹⁵⁾	5.03	CHF	4,712,000	CHF	106,000

¹⁾ The percentage of shares held is determined as the sum of all shares held directly or indirectly according to the criteria in § 16 Para. 2 and 4 of the German Stock Corporation Act (AktG)

²⁾ The stated values correspond to the annual financial statements according to local law and/or international accounting standards; the different currencies are specified

³⁾ Simplification pursuant to § 264 Para. 3 HGB was elected

⁴⁾ The exemption pursuant to § 264b HGB was elected

⁵⁾ The entity is inactive and does not prepare annual financial statements

⁶⁾ The entity is in liquidation

⁷⁾ The entity prepares separate sub-group financial statements

⁸⁾ Sub-group financial statements; included in the information for Hannover Finance, Inc.

⁹⁾ Sub-group financial statements; included in the information for Hannover Re Real Estate Holdings, Inc.

¹⁰⁾ Sub-group financial statements; included in the information for Hannover Reinsurance Group Africa (Pty) Ltd.

¹¹⁾ Sub-group financial statements; included in the information for HR GLL Centrale Europe GmbH & Co. KG

¹²⁾ The entity was formed during the reporting period – an annual report/financial statements are not yet available

¹³⁾ Information as at the end of the financial year 2011

¹⁴⁾ Information as at the end of the financial year 2012

¹⁵⁾ Information as at 31 December 2012

¹⁶⁾ Information as at 31 March 2013

¹⁷⁾ Information as at 30 June 2013

¹⁸⁾ Information as at 30 September 2013

¹⁹⁾ Information as at 31 October 2013

²⁰⁾ Information as at the end of the financial year 2013

²¹⁾ Information as at the end of the financial year 2013 (preliminary/unaudited figures)

²²⁾ Figures as per IFRS

²³⁾ Last annual financial statements issued as at 31 December 1997

²⁴⁾ Certain equity items are not counted under IFRS so that the amount shown as equity may be negative in this case. According to local GAAP, which is relevant for the supervisory authorities, the entity is sufficiently capitalised

²⁵⁾ A profit and loss transfer agreement is in effect

A.III.2. Loans to affiliated companies

These are subordinated bonds in the amount of EUR 90,333 thousand issued by Talanx Finanz (Luxemburg) S. A. and a subordinated loan in the amount of EUR 51,000 thousand extended to HDI Lebensversicherung AG.

A.III.3. Participating interests

This total includes an amount of EUR 22,165 thousand for the equity interest held in IGEPA Gewerbepark GmbH & Co. Vermietungs KG taking scheduled capital repayments into account.

B.I.1. Receivables from affiliated companies

	31.12.2013	31.12.2012
Figures in EUR thousand		
	260,066	247,063

This line item consists largely of receivables arising out of profit and loss transfer agreements and income from participating interests as well as receivables from current business transactions.

B.I.2. Other assets

	31.12.2013	31.12.2012
Figures in EUR thousand		
Other receivables	74,919	102,801

The item "Other receivables" mainly consist of receivables due from the tax authorities.

C. Deferred and accrued items

	31.12.2013	31.12.2012
Figures in EUR thousand		
	4,690	5,080

In addition to accrued administrative expenses, this item includes discounts of EUR 1,297 thousand arising from loans taken out and a bond issue. The discounts are amortised pro rata temporis.

D. Excess of plan assets over post-employment benefit liability

	31.12.2013	31.12.2012
TEUR		
	33	34

This item represents the excess of plan assets over future post-employment liabilities within the meaning of § 246 Para. 2 Sentence 3 HGB.

Notes to the balance sheet – total equity and liabilities**A.I. Subscribed capital**

	2013	2012
Figures in EUR thousand		
Balance as at the start of the financial year	315,782	260,000
Capital increase	215	55,782
Balance as at the end of the financial year	315,997	315,782

Subscribed capital and number of shares in circulation

The share capital of Talanx AG stands at EUR 316 million and is divided into 252,797,634 (252,625,682) registered no-par value shares. The share capital is fully paid up.

On 26 November 2013, 171,952 new shares were issued out of authorised capital at EUR 17.59 per share (after applying a discount of EUR 7 for employees) as part of the Company's first employee share programme for employees of Group companies in Germany (excluding Hannover Rück SE). This led to an increase of EUR 0.2 million in share capital and a temporary holding of treasury shares. As at the balance sheet date, the company no longer held treasury shares. The transaction generated proceeds from the sale of treasury shares totalling EUR 0.2 million. This was transferred to the revenue reserves.

The shares issued qualify for a dividend from the beginning of the year.

As at 31 December, 79.0% (82.3%) of the share capital of Talanx AG was attributable to HDI V.a.G., 6.5% (6.5%) to Meiji Yasuda and 0.1% (—)% to employees. 14.4% (11.2%) of the shares were in free float.

Conditional capital

On 15 May 2012 the General Meeting resolved to increase conditionally the share capital by up to EUR 78 million through the issuance of up to 62,400,000 new no-par value shares (conditional capital II). The conditional capital increase is designed to grant no-par value shares to bondholders, which, on the basis of the authorisation conferred on the Board of Management by virtue of a resolution adopted by the General Meeting on the same date, Talanx AG or a subordinate Group company may issue up to 14 May 2017 in exchange for cash in satisfaction of the conditional conversion obligation. The amendment to the Talanx AG Articles of Association became effective upon its entry in the commercial register on 4 June 2012.

On 28 August 2012 the Extraordinary General Meeting resolved to increase conditionally the share capital by up to EUR 26 million through the issuance of up to 20,800,000 new no-par value shares with a pro-rata amount of share capital of EUR 1.25 each (conditional capital III). The conditional capital increase is designed to grant no-par value shares to holders of convertible bonds, warrant bonds and participating bonds with conversion or warrant rights and profit-sharing rights with conversion or warrant rights, which, on the basis of the aforementioned authorisation, Talanx AG or a subordinate Group company may issue up to 27 August 2017 in exchange for cash in satisfaction of the conditional conversion obligation. The amendment to the Talanx AG Articles of Association became effective upon its entry in the commercial register on 5 September 2012.

Authorised capital

On 29 September 2012 the Extraordinary General Meeting resolved to rescind the authorised capital under § 7 Para. 1 of the Talanx AG Articles of Association as amended by the General Meeting on 21 November 2011, and to replace it with a new § 7 Para. 1 which authorises the Board of Management, subject to the approval of the Supervisory Board, to increase the share capital by 28 September 2017 in one or more tranches, but up to a total amount of EUR 146 million, through the issuance of new registered no-par value shares in exchange for cash or contribution in kind. Subject to the approval of the Supervisory Board, shareholders may be precluded from exercising subscription rights for certain enumerated purposes connected with cash capital increases, provided the pro-rata amount of share capital attributable to the new shares does not exceed 10% of share capital. Subject to the approval of the Supervisory Board, EUR 1 million of this may be used to issue employee shares. Subject to the approval of the Supervisory Board, the exercise of subscription rights may be precluded for contribution-in-kind capital increases if such exclusion is in the Company's predominant interest. The amendment became effective upon its entry in the commercial register on 1 October 2012.

When the Greenshoe option was exercised on 8 October 2012 at the time of the initial public offering, authorised capital was reduced in accordance with the Articles of Association to EUR 143 million. Authorised capital was reduced by EUR 0.2 million as a result of the employee share programme. Following this partial use, authorised capital still stands at EUR 142,307,260, of which EUR 785,690 will be used for employee shares.

On 6 May 2013, the General Meeting of Talanx AG resolved to distribute a dividend of EUR 1.05 per share, making a total of EUR 265 million (0), in respect of the financial year 2012.

Treasury shares

On 25 November the company acquired 171,952 treasury shares (0.07% of share capital = EUR 214,940, price EUR 23.50). On 2 December these shares were sold in full to employees at a discount of EUR 7 (0.07% of share capital = EUR 214,940, price EUR 17.59). Further details can be found below in the notes to the statement of income under point 3 "Other operating income".

A.II. Capital reserves

	2013	2012
Figures in EUR thousand		
Balance as at the start of the financial year	1,390,397	629,529
Capital increase	3,826	760,868
Balance as at the end of the financial year	1,394,223	1,390,397

For explanatory remarks on the capital increase please see our comments under “Subscribed capital”.

A.III. Revenue reserves

	2013	2012
Figures in EUR thousand		
Balance as at the start of the financial year	2,902,758	2,902,758
Withdrawals for purchase of treasury shares	3,826	—
Additions from sale of treasury shares	2,887	—
Balance as at the end of the financial year	2,901,819	2,902,758

The full amount of the reported total represents other revenue reserves.

A.IV. Disposable profit

	31.12.2013	31.12.2012
Figures in EUR thousand		
	611,472	507,516

This line item breaks down into the disposable profit for 2012 of EUR 242,259 thousand, which was carried forward to the following year by resolution of the Annual General Meeting on 6 May 2013, and 369,213 thousand as profit for the current year.

The total amount restricted from distribution is equivalent to EUR 22 thousand. It is derived from the capitalisation of assets at fair value. The free reserves exceed this amount (cf. § 268 Para. 8 of the German Commercial Code (Handelsgesetzbuch; HGB)).

B.1. Provisions for pensions and other post-employment benefits

	31.12.2013	31.12.2012
Figures in EUR thousand		
	599,762	594,678

This item represents the portion of the provisions for pensions that was not offset against assets eligible for netting. The line item as at 31 December 2013 is calculated as follows:

	31.12.2013
Figures in EUR thousand	
Employer-financed provisions for pensions as at 31 December 2012	594,669
Change	–31,482
Accrued interest/interest rate change	36,426
Pension plan reinsurance assets eligible for netting	135
Total	599,748

The plan assets eligible for netting are claims under life insurance agreements for which the amortised cost and thus the fair value within the meaning of § 255 Para. 4 sentence 4 HGB is equal to the so-called actuarial reserve for the insurance agreement plus the surplus share.

The settlement amount for the employer-funded provisions for pensions was EUR 610,275 thousand.

The fair value as at 31 December 2013 was EUR 10,527 thousand.

	31.12.2013
Figures in EUR thousand	
Employee-financed provisions for pensions as at 31 December 2011	9
Change	112
Accrued interest/interest rate change	23
Pension plan reinsurance assets eligible for netting	-130
Total	14

The settlement amount for the employee-funded provisions for pensions was EUR 593 thousand. The fair value of the insurance obtained as cover for this settlement amount as at 31 December 2013 was EUR 579 thousand.

The amounts not recognised as provisions for current pensions, vested pension benefits or similar obligations on the balance sheet by exercising the option according to § 67 Para. 1 sentence 1 EGHGB are equal to EUR 154,104 thousand.

The shortfall due to pension obligations not recognised on the balance sheet within the meaning of § 28 Para. 1 EGHGB amounts to EUR 15 thousand.

In the year under review, income of EUR 431 thousand from plan assets covering pension liabilities was netted with expenses of EUR 36,449 thousand from interest accruing on the provision for pension liabilities.

C.1. Bonds

On 11 February 2013 Talanx AG issued a bond on the Luxembourg stock exchange. This senior bond has a total nominal value of EUR 750.0 million and a maturity of ten years. The coupon is 3.125%. This item includes EUR 564.9 million of subscriptions from outside the Group.

C.2. Liabilities to banks

	31.12.2013	31.12.2012
Figures in EUR thousand		
	150,586	500,556

Talanx AG has entered into agreements regarding two syndicated credit facilities with various financial institutions as lenders: one for EUR 500,000 thousand with Barclays Bank as the facility agent and one for EUR 700,000 thousand with the Royal Bank of Scotland as the facility agent. EUR 150,000 thousand thereof was utilised on the balance sheet date. Accrued interest is also shown.

C.4. Liabilities to affiliated companies

	31.12.2013	31.12.2012
Figures in EUR thousand	1,133,062	1,563,159

Talanx AG has issued bearer bonds at market interest rates that were subscribed by various Group companies. The carrying amount as at the balance sheet date is EUR 155.0 million.

On 10 February 2005 Talanx Finanz (Luxemburg) S. A. issued subordinated bonds with a term of 20 years for which Talanx AG guarantees repayment. The proceeds from the issue were made available to Talanx AG in the form of a loan. As at the balance sheet date, the remaining amount outstanding on the loan was EUR 213.9 million.

On 4 April 2012 Talanx Finanz (Luxemburg) S. A. issued subordinated bonds with a term of 30 years for which Talanx AG guarantees repayment. The proceeds from the issue were made available to Talanx AG in the form of a loan. As at the balance sheet date, the remaining amount outstanding on the loan was EUR 500.0 million.

Subscriptions totalling EUR 185.1 million were received from Group companies for the senior bond described above under C.1.

Other liabilities are recognised for the transfer of losses from affiliated companies, time deposits made available on a short-term basis and liabilities arising from current business transactions with subsidiaries.

The total includes liabilities with a remaining term of over five years in the amount of EUR 685.1 million.

C.5. Other liabilities

	31.12.2013	31.12.2012
Figures in EUR thousand	16,312	4,646

This line item mainly represents accrued interest on the senior bond issued at the beginning of the year.

Notes to the statement of income

1. Income from participating interests

	2013	2012
Figures in EUR thousand		
Dividend distributions from affiliates:		
Alstertor Erste Beteiligungs- und Investitionssteuerungs-GmbH & Co. KG, Hamburg	578	579
Hannover Rück SE, Hannover	181,691	127,184
IGEPA Gewerbepark GmbH & Co. Vermietungs KG, Munich	—	821
Talanx Beteiligungs-GmbH & Co. KG, Hannover	169,157	7,616
Talanx Deutschland AG, Hannover	—	52,587
Talanx Finanz (Luxemburg) S. A., Luxembourg	7,935	—
Talanx Reinsurance (Ireland) Ltd., Dublin	9,800	5,000
TARGO Lebensversicherung AG, Hilden	2,172	2,223
	371,333	196,010

2. Income from profit transfer agreements

	2013	2012
Figures in EUR thousand		
	223,129	170,294

This income derives from profit and loss transfer agreements entered into with the companies listed under “important agreements”.

3. Other operating income

	2013	2012
Figures in EUR thousand		
Fee income	13,608	15,717
Disposal gain from loans to affiliates	3,234	4,229
Income from sale of receivables from employee shares	1,120	—
Income from reversal of provisions	759	641
Other income	1,827	122
	20,548	20,709

The aforementioned disposal gain was realised from the sale of subordinated bonds of HDI-Gerling Industrie Versicherung AG. Income from sale of receivables from employee shares includes employer company reimbursements arising from acquisitions at the preferential rate of EUR 7 per share.

4. Personnel expenses

	2013	2012
Figures in EUR thousand		
	20,225	17,727

This item includes Board of Management remuneration, salaries, social insurance contributions and pension payments. The change in provisions for pensions, including guarantees for pension commitments, was netted off (see also “note 14: Extraordinary loss”).

The increase reflects the increased number of employees.

6. Other operating expenses

	2013	2012
Figures in EUR thousand		
Remuneration of Supervisory Board members and meeting allowances	2,255	2,168
Internal transfer pricing expenses	12,700	14,815
Travel expenses	762	787
Audit and consulting expenses	20,686	19,974
Advertising expenses	382	513
External services including rating fees	5,523	30,543
Rental and maintenance of hardware and software	4,319	1,923
Other expenses	8,063	9,836
	54,690	80,559

The decrease is attributable to external services, which were particularly high in the previous year as a result of the IPO.

7. Income from other securities and long-term loans

	2013	2012
Figures in EUR thousand		
	11,710	13,289

The reported figure relates to interest income on loans granted to affiliates.

8. Other interest and similar income

	2013	2012
Figures in EUR thousand		
	3,977	9,190

This item largely comprises interest income on overnight and time deposits, on profit/loss transfer agreements, on current bank balances and on option transactions.

9. Write-downs of long-term financial assets and securities classified as current assets

	2013	2012
Figures in EUR thousand		
	1,274	1,156

The amount shown relates to the reversal pro rata temporis of a premium on subordinated bonds of HDI-Gerling Industrie Versicherung AG.

10. Interest and similar expenses

	2013	2012
Figures in EUR thousand		
	146,359	168,343

This line item recognises interest on loans together with interest charges in connection with bonds issued to various Group companies in the financial years 2003 and 2006, interest charges on the loan relating to Talanx Finanz (Luxemburg) S. A., interest on swaps, interest on loans from affiliates, interest on the partial utilisation of credit lines, interest expense related to accrued interest on pensions and commitment fees.

11. Expenses of loss absorption

	2013	2012
Figures in EUR thousand		
	17	758

These expenses derive from profit and loss transfer agreements entered into with the companies listed under “important agreements”.

14. Extraordinary loss

	2013	2012
Figures in EUR thousand		
	-14,009	-14,009

The extraordinary loss relates solely to adjustment entries for provisions for pensions pursuant to the German Accounting Law Modernisation Act (BilMoG). The extraordinary loss does not give rise to any tax implications.

15. Taxes on income

	2013	2012
Figures in EUR thousand		
Taxes, current financial year	13,267	46
Taxes, previous years	9,745	-5,565
	23,012	-5,519

Despite a pre-tax result of EUR 392 million (previous year: EUR 125 million), tax expense for the financial year is only EUR 13 million (previous year: EUR 0 million). This is because significant income (e.g. distributions from Hannover Rück SE) were received virtually tax-free. As in the previous year, taxes relate solely to profit on ordinary activities.

Talanx AG, together with member companies of the joint tax filing entity, measure deferred taxes using a corporate tax rate (including solidarity surcharge) of 15.83% and a trade tax rate of 15.96%. Deferred tax liabilities, which arise especially in relation to the the balance sheet items “shares in affiliates” and “participating interests” (due to differences in amounts recognised for shares in partnerships), were offset against deferred tax assets related in particular to the balance sheet item “loss and loss adjustment expense reserve”. In accordance with the option afforded by § 274 Para. 1 sentence 2 HGB, deferred tax assets in excess of this set-off are not recognised. An excess of deferred tax liabilities did not arise.

Other disclosures

Important agreements

Control and profit and loss transfer agreements are in effect between Talanx and

- Talanx Deutschland AG
- Talanx Reinsurance Broker GmbH
- Talanx Service AG
- Talanx Asset Management GmbH
- Bureau für Versicherungswesen Robert Gerling & Co. GmbH
- Talanx International AG
- HDI-Gerling Industrie Versicherung AG
- Talanx Systeme AG

Existing lines of credit

In accordance with contracts concluded by Talanx AG with banks, two syndicated variable-interest credit lines with a total nominal volume of EUR 1,200 million and five-year terms are available to the Company for short- to medium-term financing. Total utilisation as at 31 December 2013 was EUR 150 million. The existing syndicated credit lines can be terminated by the lenders if there is a change of control, i. e. if a person or persons acting jointly other than HDI Haftpflichtverband der Deutschen Industrie V.a.G. gains direct or indirect control over more than 50% of the voting rights or share capital of Talanx AG.

Employees

Average number of employees during the year	31.12.2013	31.12.2012
Full-time employees	213	190
Part-time employees	26	22
Total	239	212

Boards and Officers

The names of the members of the Supervisory Board and of the Board of Management can be found in the annual report under "Boards and Officers".

Remuneration paid to executive bodies of the Company

The remuneration of the members of the Board of Management totalled EUR 8,966 thousand. The remuneration of the Supervisory Board members totalled EUR 1,895 thousand. The remuneration of former members of the Board of Management and their survivors totalled EUR 484 thousand. A total of EUR 22,888 thousand was recognised for pension liabilities due to former members of the Board of Management and their survivors.

Related party disclosures

In the reporting period there were no non-arm's length transactions with related parties that were relevant to an assessment of the financial position or results of operations.

Report on relations with affiliated companies

The report on relations with affiliated companies that is to be drawn up by the Board of Management in accordance with § 312 of the Stock Corporation Act states that our Company received an adequate consideration for all transactions with affiliated companies according to the circumstances of which it was aware at the time when the transactions were effected. No measures subject to reporting requirements occurred in the year under review.

Total audit fees

The fees for the financial auditor – broken down into expenses for audit services, for other certification services, for tax advisory services and for other services – are included in the consolidated financial statements of HDI V.a.G. and Talanx AG on a pro-rata basis.

Derivative financial instruments

Valuation units

Talanx AG avails itself of the option to set up valuation units pursuant to § 254 HGB. Derivative financial instruments are used solely to hedge balance sheet items in accordance with the provisions of § 254 HGB. With a view to hedging the currency risk from currency derivatives with affiliated companies (currency options), the Company has taken out opposing currency derivatives with counterparties outside the Group. The resulting opposing changes in value, which – aside from negligible counterparty risks – offset each other entirely, are also recognised as micro-valuation units. With respect to currency hedging, effectiveness is measured on the basis of the critical terms match method. All valuation units are recognised using the net hedge presentation method. In this context, the offsetting changes in value of the individual transactions combined into a valuation unit are not recognised in the statement of income. The valuation units in relation to price hedging and the foreign currency liability have a term until January 2017. (The term of the currency derivatives also ends in January 2017). The trading volume of the currency derivatives totalled EUR 80 million; the corresponding underlying is recognised as a liability with a carrying amount of EUR 1.8 million.

All hedging instruments are recognised in valuation units.

Contingent liabilities and other financial liabilities

In connection with the initial public offering, Talanx AG committed under the underwriting agreement dated 19 September 2012 to indemnify all banks involved in the IPO against any liability arising from it. In this regard, Talanx AG provided customary guarantees and assurances. As things currently stand, Talanx AG does not believe that any claims will be made under this agreement.

In February 2005 Talanx AG assumed a subordinated guarantee to the holders of subordinated bonds issued by its subsidiary Talanx Finanz (Luxemburg) S. A. for interest payments and redemption payable on the bond in the original amount of EUR 350 million. The bond matures in 2025. The funds of EUR 350 million raised by the issuance of the bond were made available to Talanx AG by Talanx Finanz (Luxemburg) S. A. in the form of a loan. By December 2013 Talanx Finanz (Luxemburg) S. A. had repurchased and voided a portion of the bond issue with a nominal value of approximately EUR 141 million, so that the remaining nominal value of the bond at the end of the reporting period was only approximately EUR 209 million. Talanx AG has partly repaid the loan granted to it by Talanx Finanz (Luxemburg) S. A. The remaining loan amount of approximately EUR 214 million is recognised on the balance sheet under "Liabilities to affiliated companies". At the end of the reporting period Talanx AG was holding additional portions of the bond with a carrying amount of approximately EUR 90 million. They are recognised on the balance sheet under "Loans to affiliated companies".

In addition, Talanx AG carries deferred payment obligations from not fully paid-up shares of Talanx Reinsurance Broker GmbH (EUR 0.7 million).

Due to the carve-out of various equity investments from Talanx Service AG (formerly: HDI-Gerling Sach Service-holding AG) and spin-off to our Company that were implemented in 2010, Talanx AG – as the succeeding legal entity under § 133 of the German Reorganisation of Companies Act (Umwandlungsgesetz; UmwG) – is liable together with Talanx Service AG as a joint and several debtor for the liabilities of Talanx Service AG that were created prior to the effectiveness of the carve-out as at 4 August 2010, and is so liable for a period of five years, or for a period of ten years for pension obligations based on the German Company Retirement Benefits Act (Betriebsrentengesetz). The total amount of these liabilities is equal to EUR 69.0 million. Of that, EUR 59.7 million were due to affiliated companies.

HDI-Gerling Industrie Versicherung AG, Hannover, assumed a debt obligation for internal purposes only in respect of pensions for active and former employees and senior managers and is liable for the fulfilment of this obligation. At the end of the financial year, Talanx AG's joint liability in respect of these pension commitments stood at EUR 2.9 million.

As the sponsoring company for the former Gerling Versorgungskasse (Pension Fund), the Company is liable, on a pro-rata basis, for any possible shortfalls in relation to the employees of the former Gerling companies that have joined our Company as part of the Gerling integration.

The total amount of financial obligations is EUR 72.6 million.

Notifications pursuant to § 21 Para. 1, 1a of the Securities Trading Act (Wertpapierhandelsgesetz; WpHG)

Notification from HDI V. a. G. dated 1 October 2012

Talanx Aktiengesellschaft
4 October 2012

Publication of voting right notifications pursuant to § 26 Para. 1, § 21 Para. 1a WpHG (Notification of admittance for the first time to trading on a stock exchange)

HDI Haftpflichtverband der Deutschen Industrie Versicherungsverein auf Gegenseitigkeit, Riethorst 2, 30659 Hannover, Germany, informed us pursuant to § 21 Para. 1a WpHG that its share of the voting rights in Talanx Aktiengesellschaft, Riethorst 2, 30659 Hannover, Germany, on 1 October 2012, the date when shares of Talanx Aktiengesellschaft were admitted for the first time to trading on the stock exchanges in Frankfurt/Main and Hannover, was 89.08% (208,000,000 voting rights).

Notification from Meiji Yasuda Life Insurance Company dated 5 October 2012

Talanx Aktiengesellschaft
9 October 2012

Meiji Yasuda Life Insurance Company, Tokyo, Japan, informed us on 5 October 2012 pursuant to § 21 Para. 1 WpHG that its share of the voting rights in Talanx Aktiengesellschaft, Riethorst 2, 30659 Hannover, Germany, on 4 October 2012 exceeded the reporting thresholds of 3% and 5% due to the acquisition of shares with voting rights and amounted to 6.56% (16,393,442 voting rights).

Notification from Deutsche Bank Aktiengesellschaft dated 5 October 2012

Talanx Aktiengesellschaft
9 October 2012

Talanx Aktiengesellschaft, Riethorst 2, 30659 Hannover, Germany, received the following voting rights notifications on 5 October 2012 pursuant to § 21 Para. 1 and 1a WpHG:

1. Deutsche Bank Aktiengesellschaft, Frankfurt/Main, Germany, informed us pursuant to § 21 Para. 1a WpHG that its share of the voting rights in Talanx Aktiengesellschaft on 1 October 2012, the date when shares of Talanx Aktiengesellschaft were admitted for the first time to trading on the stock exchange, was 5.46% (12,750,000 voting rights).
2. In the same notification Deutsche Bank Aktiengesellschaft informed us pursuant to § 21 Para. 1 WpHG that its share of the voting rights in Talanx Aktiengesellschaft on 4 October 2012 fell below the thresholds of 5% and 3% and amounted to 0.00% (zero voting rights).

Notification from Joh. Berenberg, Gossler & Co. KG dated 5 October 2012

Talanx Aktiengesellschaft
9 October 2012

Talanx Aktiengesellschaft, Riethorst 2, 30659 Hannover, Germany, received the following voting rights notifications on 5 October 2012 pursuant to § 21 Para. 1 and 1a WpHG:

1. Joh. Berenberg, Gossler & Co. KG, Hamburg, Germany, informed us pursuant to § 21 Para. 1a WpHG that its share of the voting rights in Talanx Aktiengesellschaft on 1 October 2012, the date when shares of Talanx Aktiengesellschaft were admitted for the first time to trading on the stock exchange, was 5.46% (12,750,000 voting rights).
2. In the same notification Joh. Berenberg, Gossler & Co. KG informed us pursuant to § 21 Para. 1 WpHG that its share of the voting rights in Talanx Aktiengesellschaft on 4 October 2012 fell below the thresholds of 5% and 3% and amounted to 0.00% (zero voting rights).

Consolidated financial statements

The Company is a member company of HDI Haftpflichtverband der Deutschen Industrie Versicherungsverein auf Gegenseitigkeit, Hannover. HDI (the parent company) prepares consolidated financial statements for the Group according to § 341i HGB that includes the Company within the scope of consolidation. As the parent company of the Talanx Group, Talanx AG is also required to draw up consolidated financial statements pursuant to § 290 HGB. These consolidated financial statements are prepared on the basis of § 315a Para. 1 HGB pursuant to Article 4 of Regulation (EC) No. 1606/2002 in accordance with International Financial Reporting Standards (IFRS) in the form adopted for use in the European Union. The consolidated financial statements are published in the German electronic Federal Gazette (elektronischer Bundesanzeiger).

Declaration of conformity pursuant to § 161 German Stock Corporation Act (AktG)

The declaration of conformity with the German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act has been submitted and is permanently available to investors, as set out in the Group Management Report under the heading "Declaration on Corporate Governance and Corporate Governance report", on the website of Talanx AG at <http://www.talanx.com/investor-relations/corporate-governance/entsprecherklaerung>.

Events after the balance sheet date

On 23 January 2014 Talanx AG concluded an agreement on a new syndicated credit line with a total volume of EUR 550 million and a term of five years. This new credit line replaces a EUR 500 million credit line dating back to 2011 that was redeemed before expiry.

Talanx AG plans to list all its shares on the regulated market of the Warsaw stock exchange in the second quarter of 2014. No new shares will be issued in connection with this listing.

Hannover, 25 February 2014

Talanx Aktiengesellschaft

The Board of Management



Herbert K. Haas,
Chairman



Dr. Christian Hinsch,
Deputy Chairman



Torsten Leue



Dr. Thomas Noth



Dr. Immo Querner



Dr. Heinz-Peter Roß



Ulrich Wallin

Responsibility statement

To the best of our knowledge and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company and the Management Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Hannover, 25 February 2014

Talanx Aktiengesellschaft

The Board of Management



Herbert K. Haas,
Chairman



Dr. Christian Hinsch,
Deputy Chairman



Torsten Leue



Dr. Thomas Noth



Dr. Immo Querner



Dr. Heinz-Peter Roß



Ulrich Wallin

Auditor's report

To Talanx Aktiengesellschaft, Hannover:

We have examined the annual financial statements – comprising the balance sheet, the statement of income as well as the notes – including the accounting and the Management Report of Talanx Aktiengesellschaft, Hannover, for the financial year from 1 January through 31 December 2013. The accounting and the preparation of the annual financial statements and the Management Report in accordance with the provisions of German commercial law and the additional regulations of the Articles of Association and Rules of Procedure are the responsibility of the Company's Board of Management. Our responsibility is to express an opinion on the annual financial statements including the accounting and on the management report on the basis of our audit.

We conducted our audit of the annual financial statements in accordance with § 317 of the German Commercial Code and in compliance with the generally accepted German standards for the audit of financial statements as promulgated by the Institut der Wirtschaftsprüfer (German Institute of Public Accountants) (IDW). These standards require that we plan and perform the audit so that errors and misstatements materially affecting the presentation of the Company's assets, financial position and earnings as conveyed in the annual financial statements according to the generally accepted accounting principles (Grundsätze ordnungsmäßiger Buchführung; GoB) and in the management report will be detected with reasonable assurance. Knowledge of the business activities and of the economic and legal environment of the Company as well as anticipations concerning possible misstatements were taken into account in the determination of audit procedures. As part of the audit, the effectiveness of the system of internal controls as it relates to accounting, as well as the evidence supporting the disclosures in the accounting, the financial statements and the management report are examined primarily on a sampling basis. The audit includes an assessment of the accounting policies applied and of the significant estimates made by management as well as an evaluation of the overall presentation of the financial statements and the management report. We believe that our audit provides a reasonably reliable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the understanding gained during the audit, the annual financial statements are in compliance with statutory regulations and the supplementary provisions of the Articles of Association and give a true and fair view of the net assets, financial position and results of operations of the Company in compliance with the German generally accepted accounting principles (Grundsätze ordnungsmäßiger Buchführung; GoB). The Management Report is consistent with the annual financial statements and in all material respects presents a fair view of the position of the Company and of the risks and opportunities associated with future developments.

Hannover, 14 March 2014

KPMG AG
Wirtschaftsprüfungsgesellschaft

Dr. Ellenbürger
(German Public Auditor)

Husch
(German Public Auditor)

Glossary and definition of key figures.

Assets under own management

Investments that do not come from either investment contracts or funds withheld by ceding companies in insurance business. They are generally acquired or sold independently by Group companies at their own risk and are managed either by the company or by an investment company on the company's behalf.

Back-to-back SPA

SPA = Sales and Purchase Agreement. Share purchase agreement of 19 January 2012 concluded between Talanx International AG as the seller and Meiji Yasuda Life Insurance Company as the purchaser with regard to 30% of the shares in TUIR WARTA S. A.

Bancassurance

Partnership between a bank/postal service partner and an insurance company for the purpose of selling insurance products through the banking/postal service partner's branches. The linkage between insurer and bank often takes the form of a capital participation or a long-term strategic cooperation between the two partners.

Compliance

Statutory regulations and undertaking-specific rules governing the responsible and lawful actions of an undertaking and its employees.

Corporate Governance

System that serves to ensure responsible management and supervision of enterprises and is intended to foster the trust of investors, clients, employees and the general public in companies.

Derivative

Financial products derived from underlying primary instruments such as equities, fixed-income securities and foreign exchange instruments, the fair value of which is determined inter alia on the basis of the underlying security or reference asset. Derivatives include > swaps, options and futures.

Disposable profit

Net income for the financial year less contribution to other revenue reserves plus retained profits brought forward.

Earnings per share, diluted

Ratio calculated by dividing the Group net income attributable to shareholders of Talanx AG by the average weighted number of shares in circulation. Diluted earnings per share take into account subscription rights that have been exercised or that have not yet been exercised when calculating the number of shares.

Equity

> Shareholders' equity

Extraordinary result

Balance of expenses and income that are not allocable to ordinary activities, including for example adjustments to the provisions for pensions in accordance with the German Accounting Law Modernisation Act (BilMoG).

Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Free float

Shareholdings distributed among several, usually smaller, investors.

International Financial Reporting Standards – IFRS

International accounting standards formerly known as IAS (International Accounting Standards), applied at Talanx since 2004.

Life insurance

Collective term covering those types of insurance which are concerned in a broader sense with risks associated with the uncertainties of life expectancy and life planning. These include death and disability, retirement provision as well as marriage and education.

Long-term financial assets

Shares in affiliated companies, loans to affiliated companies, participating interests and long-term securities.

Net income for the financial year

Result from ordinary activities plus the extraordinary result less taxes.

Net income from participations

Income from participating interests and profit transfers less expenses from losses absorbed from subsidiaries.

Net interest income

Balance of interest income and interest expenses.

Operating profit/loss (EBIT)

Sum of the net investment income, underwriting result and other income and expenses before interest for other debt capital borrowed for financing purposes (financing costs) and before tax (taxes on income).

Other operating expenses and write-downs

Expenses for ordinary activities, e.g. personnel and material expenses, amortisation, depreciation and write-downs, realised losses on investments, foreign exchange losses, expenses for services.

Other operating income

Income from ordinary activities, such as realised gains on investments, foreign exchange gains or income from services.

Passive reinsurance

Existing reinsurance programmes of > primary insurers for their own protection against underwriting risks.

Premium

Agreed compensation for the risks accepted by the insurer.

Private equity

Investment capital raised by private investors.

Provision

Liability item as at the balance sheet date to discharge obligations which exist but whose extent and/or due date is/are not known. Technical provisions, for example, are for claims which have already occurred but which have not yet been settled, or have only been partially settled (= provision for outstanding claims, abbreviated to: loss reserve).

Result from ordinary activities

Profit or loss for the period before the extraordinary result and before taxes.

Retail business

- a) In general: business with private customers.
- b) Ampega: business involving investment funds that are designed essentially for private, non-institutional investors, although such funds are also open for investments of Group companies.

Shareholders' equity (also: equity)

Funds provided by the owners of an enterprise for its internal financing or left within the company as earned profit (realised/unrealised). The capital providers are entitled to a share of the profit, e.g. in the form of a dividend, in return for making the shareholders' equity available. Shareholders' equity is liable for debts at a corporation.

Surplus participation

Legally required, annually determined participation of policyholders in the surpluses generated by life insurers.

Swap

Agreement between two counterparties to swap payments at contractually defined conditions and times. Virtually any type of cash flow can be exchanged. This makes it possible to systematically hedge financial risks associated with a portfolio or to add new risks to a portfolio in order to optimise returns.

Underwriting

Process of examining and assessing (re) insurance risks in order to determine a commensurate premium for the risk in question. The purpose of underwriting is to diversify the underwriting risk in such a way that it is fair and equitable for the (re)insured and at the same time profitable for the (re)insurer.

Contact information

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

Konzernstruktur Group Structure

Talanx AG					
Geschäftsbereich Industrierversicherung <i>Industrial Lines Division</i>	Geschäftsbereich Privat- und Firmenversicherung Deutschland <i>Retail Germany Division</i>	Geschäftsbereich Privat- und Firmenversicherung International <i>Retail International Division</i>	Geschäftsbereich Rückversicherung <i>Reinsurance Division</i> Schaden- Rück- versicherung <i>Non-Life Reinsurance</i>	Personen- Rück- versicherung <i>Life and Health Reinsurance</i>	Konzernfunktionen <i>Corporate Operations</i>
HDI-Gerling Industrie Versicherung AG	Talanx Deutschland AG	Talanx International AG	Hannover Rück SE		Talanx Asset Management GmbH
HDI Versicherung AG (Austria)	HDI Versicherung AG	HDI Seguros S.A. (Argentina)	Hannover ReTakaful B.S.C. (c) (Bahrain)		Ampega Investment GmbH
HDI-Gerling Assurances (Belgique) S.A.	HDI Lebensversicherung AG	HDI Seguros S.A. (Brazil)	Hannover Re (Bermuda) Ltd.		Talanx Immobilien Management GmbH
HDI-Gerling Welt Service AG	Talanx Pensionsmanagement AG	HDI Zastrahovane AD (Bulgaria)	E+S Rückversicherung AG		Talanx Service AG
HDI-Gerling de México Seguros S.A.	HDI Pensionskasse AG	HDI Seguros S.A. (Chile)	Hannover Re (Ireland) Plc		Talanx Systeme AG
HDI-Gerling Verzekeringen N.V. (Netherlands)	neue leben Lebensversicherung AG	Magyar Posta Biztosító Zrt. (Hungary)	Hannover Reinsurance Africa Limited		Talanx Reinsurance Broker GmbH
HDI-Gerling Insurance of South Africa Ltd.	neue leben Unfallversicherung AG	Magyar Posta Életbiztosító Zrt. (Hungary)	International Insurance Company of Hannover Ltd. (UK)		Talanx Reinsurance (Ireland) Ltd.
HDI Seguros S.A. (Spain)	PB Lebensversicherung AG	HDI Assicurazioni S.p.A. (Italy)	Hannover Life Re of Australasia Ltd		
HDI-Gerling America Insurance Company	PB Versicherung AG	HDI Seguros S.A. de C.V. (Mexico)	Hannover Life Reassurance Bermuda Ltd.		
	PB Pensionsfonds AG	TU na Życie WARTA S.A. (Poland)	Hannover Life Reassurance Africa Limited		
	TARGO Lebensversicherung AG	TUIr WARTA S.A. (Poland)	Hannover Life Reassurance Company of America		
	TARGO Versicherung AG	TU na Życie Europa S.A. (Poland)			
		TU Europa S.A. (Poland)			
		OOO Strakhovaya Kompaniya „CiV Life“ (Russia)			
		OOO Strakhovaya Kompaniya „HDI Strakhovanie“ (Russia)			
		HDI Sigorta A.Ş. (Turkey)			
		HDI STRAKHUVANNYA (Ukraine)			
		HDI Seguros S.A. (Uruguay)			

Nur die wesentlichen Beteiligungen
Main participations only

Stand / As at: 31.12.2013

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