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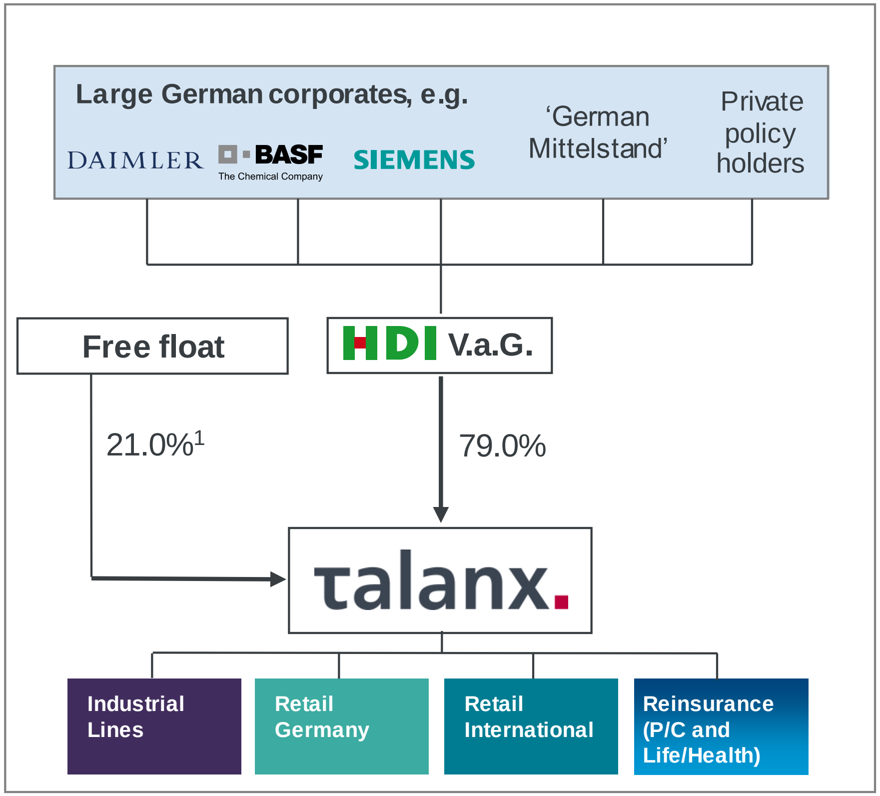
Insurance. Investments.

Roadshow
Milan/Lugano

Marcus Sander, CFA, Senior Investor Relations Manager
19/20 April 2016

Founded as a lead insurer by German corporates

Group structure



[1] Including employee shares and stake of Meiji Yasuda (below 5%)

History

1903	Foundation as 'Haftpflichtverband der deutschen Eisen- und Stahlindustrie' in Frankfurt
1919	Relocation to Hannover
1953	Companies of all industry sectors are able to contract insurance with HDI V.a.G.
1966	Foundation of Hannover Rück-versicherungs AG
1991	Diversification into life insurance
1994	IPO of Hannover Rückversicherung AG
1998	Renaming of HDI Beteiligungs AG to Talanx AG
2001	Start transfer of business from HDI V.a.G. to individual Talanx subsidiaries
2006	Acquisition of Gerling insurance group by Talanx AG
2012	IPO of Talanx AG
2014	Listing at Warsaw Stock Exchange

Strong roots: originally founded by German corporate clients; HDI V.a.G still key shareholder

Four divisions with a strong portfolio of brands

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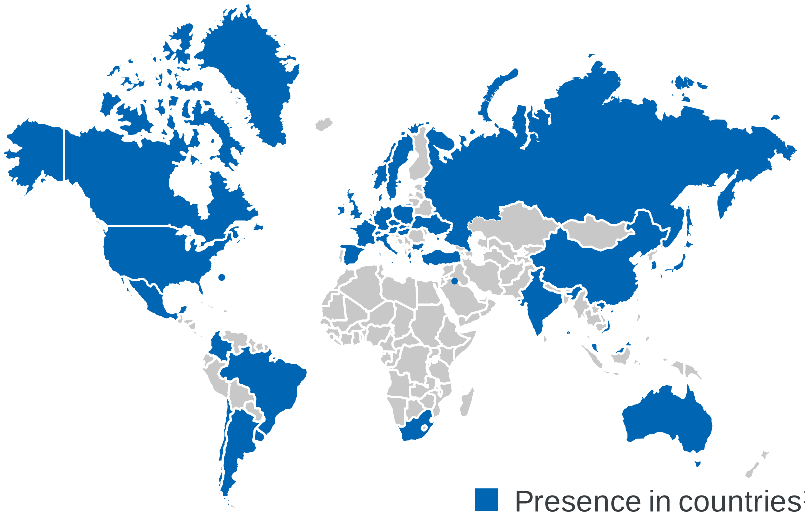
Industrial Lines	Retail Germany	Retail International	Reinsurance (P/C and Life/Health)	Corporate Operations
HDI	HDI	HDI	hannover re	talanx. Asset Management
	TARGO•VERSICHERUNG Schutz und Vorsorge	warta.	e+s rück	talanx. Service
	PB Versicherungen Partner der Postbank	Europa ubezpieczenia		talanx. Systeme
	neue leben Versicherungen	Posta Biztosító		talanx. Reinsurance
		CiV Life		talanx. Reinsurance Broker

Integrated international insurance group following a multi-brand approach

International footprint and focussed growth strategy

International presence



- Total GWP: €31.8bn (2015)
- 2015 GWP: 49% in Primary Insurance (2014: 53%), 51% in Reinsurance (2014: 47%)
- Group wide presence in >150 countries
- ~21,900 employees in 2015

International strategy by divisions

Industrial Lines	▪ Local presence by own risk carriers, branches and partners create efficient network in >130 countries ▪ Key target growth regions: Latin America, Southeast Asia/India, Arabian Peninsula
Retail International	▪ Target regions: CEE (incl. Turkey) and Latin America ▪ # 2 insurer in Poland[2] # 5 motor insurer in Brazil[2] # 2 motor insurer in Chile[2] # 9 motor insurer in Mexico[2]
Reinsurance	▪ Global presence focussing on Western Europe, North- and South America as well as Asia ▪ ~5.000 customers in >150 countries

[1] By branches, agencies, risk carriers, representative offices
[2] Source: local regulatory authorities, Talanx AG

Global network in Industrial Lines and Reinsurance – leading position in retail target markets

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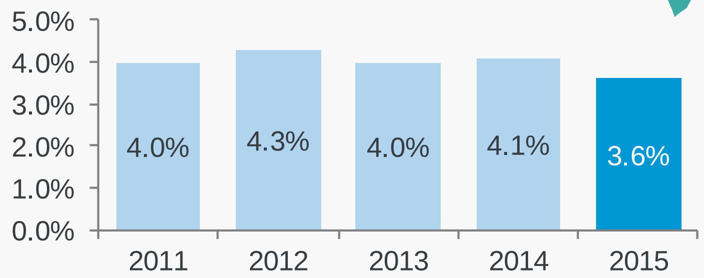
FY2015 – Target achievement

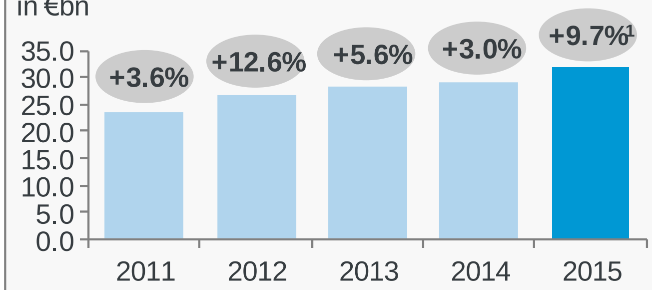
Return on Investment



2015 Outlook RoI >3.0%

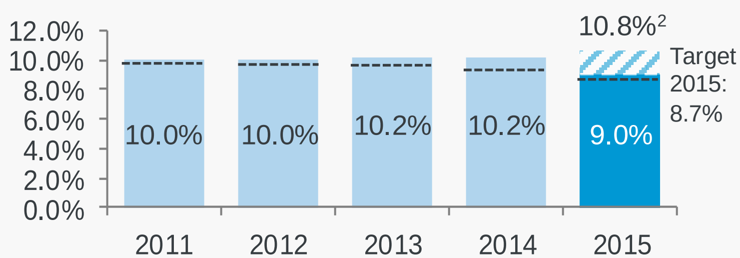
GWP growth

in €bn



2015 Outlook GWP growth +1-3%

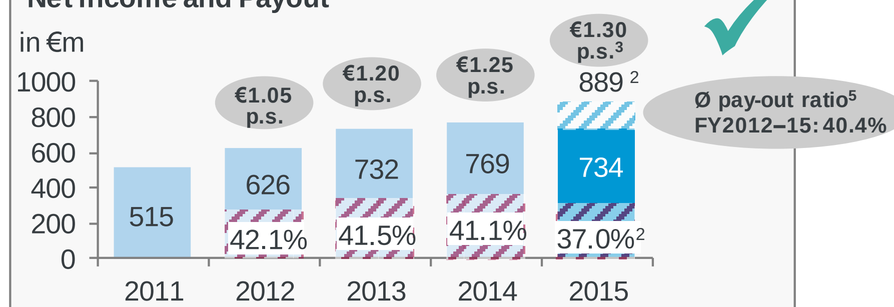
Return on Equity



2015 Outlook RoE 7-8%

Net income and Payout

in €m



2015 Outlook Net income €600-650m[4]; pay-out ratio 35-45%

Note: Figures restated on the base of IAS8
[1] Currency-adjusted: 4.8%
[2] After adjustment for goodwill impairment in German Life business of €155m reported in Q2 2015
[3] Proposal to AGM
[4] 2015 Outlook for Group net income was adjusted from „at least €700m" to „€600-650m" following the goodwill impairment reported in Q2 2015
[5] Includes dividend proposal for FY2015 of €1.30 per share

Dividend pay-out ratio
Adjustment for goodwill impairment in German Life (€155m/Q2 2015)

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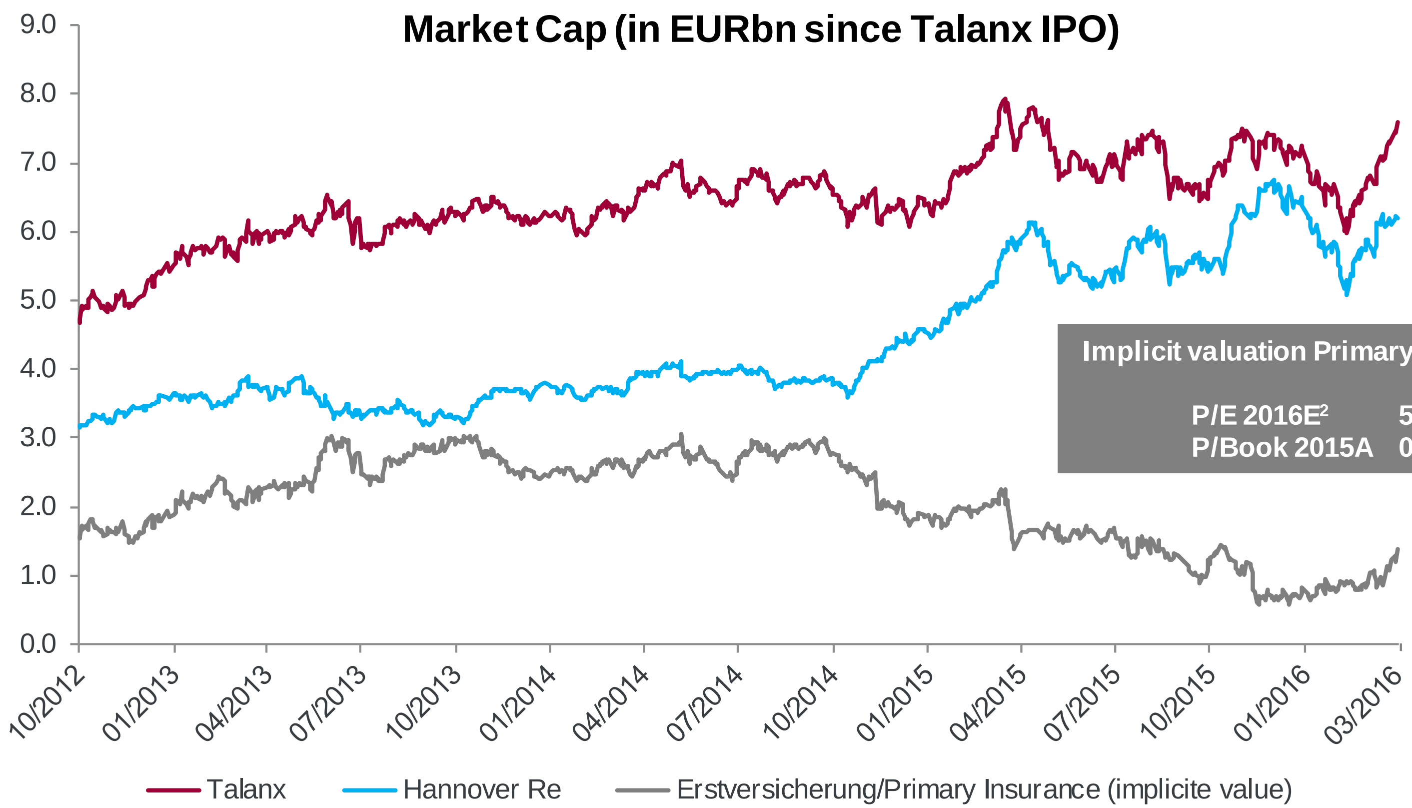
Valuation – A special look at Primary Insurance



Implicit valuation Primary Insurance[1]

P/E 2016E[2]	**5.1x**
P/Book 2015A	**0.3x**

[1] In this analysis, Primary insurance also contains Corporate Operations and Consolidation

[2] 2016 earnings estimates based on the 2016 sell-side consensus collected by Talanx and by Hannover Re in December 2015. Talanx' stake in Hannover Re is 50.2%.

Strikingly low implicit valuation of Primary Insurance

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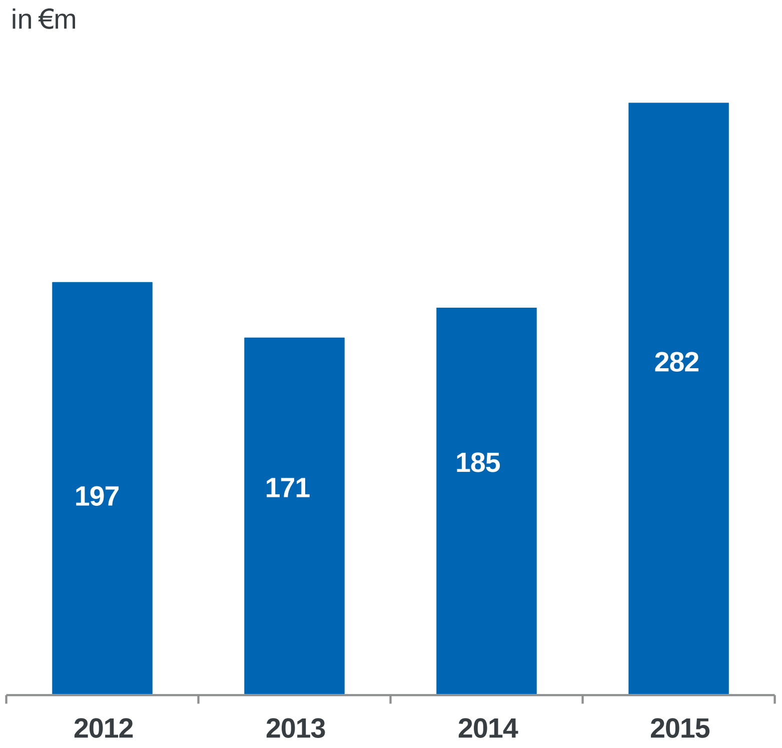
Valuation – Earnings contribution from Primary Insurance

Net income Primary Insurance[1]



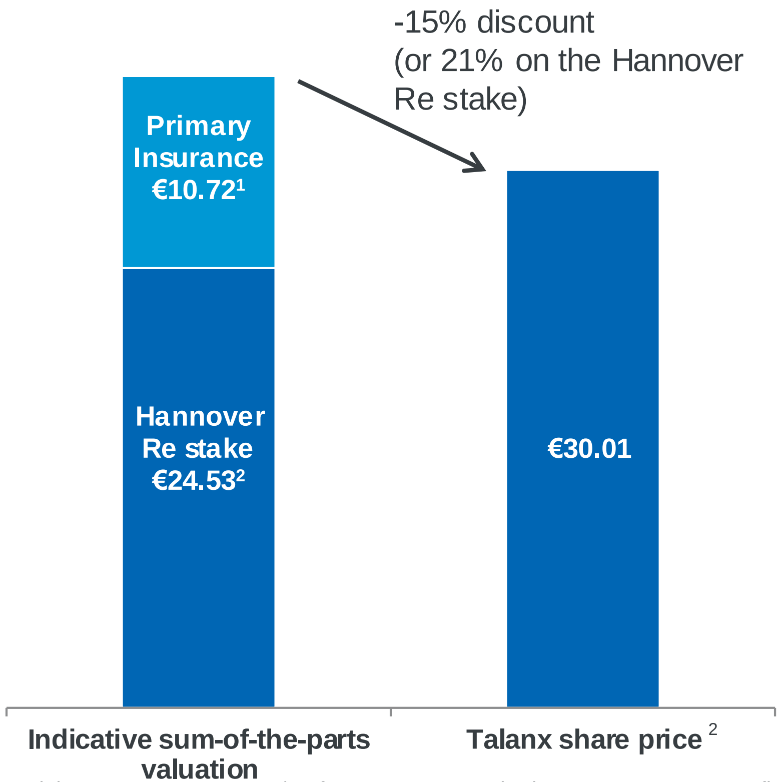
Comments

- Underlying profit contribution of Primary Insurance robust and recently improved
- „Balanced Book“ initiative focussing on underwriting results in Property, Marine and Fleet in Industrial Lines
- KuRS programme in Retail Germany adresses profitability
- Full goodwill impairment in German Life

[1] Incl. Corporate Operations and Consolidation; adjusted for balance-sheet related changes in German Life, interest rate related changes in Germany P&C, for gains from the sale of Swiss Life shares and for the goodwill impairment in Retail Germany (€155m in FY2015)

Robust and recently improved underlying results from Primary Insurance

Valuation – Could it really be explained by a holding discount?



Measures to secure and to boost value in the Group

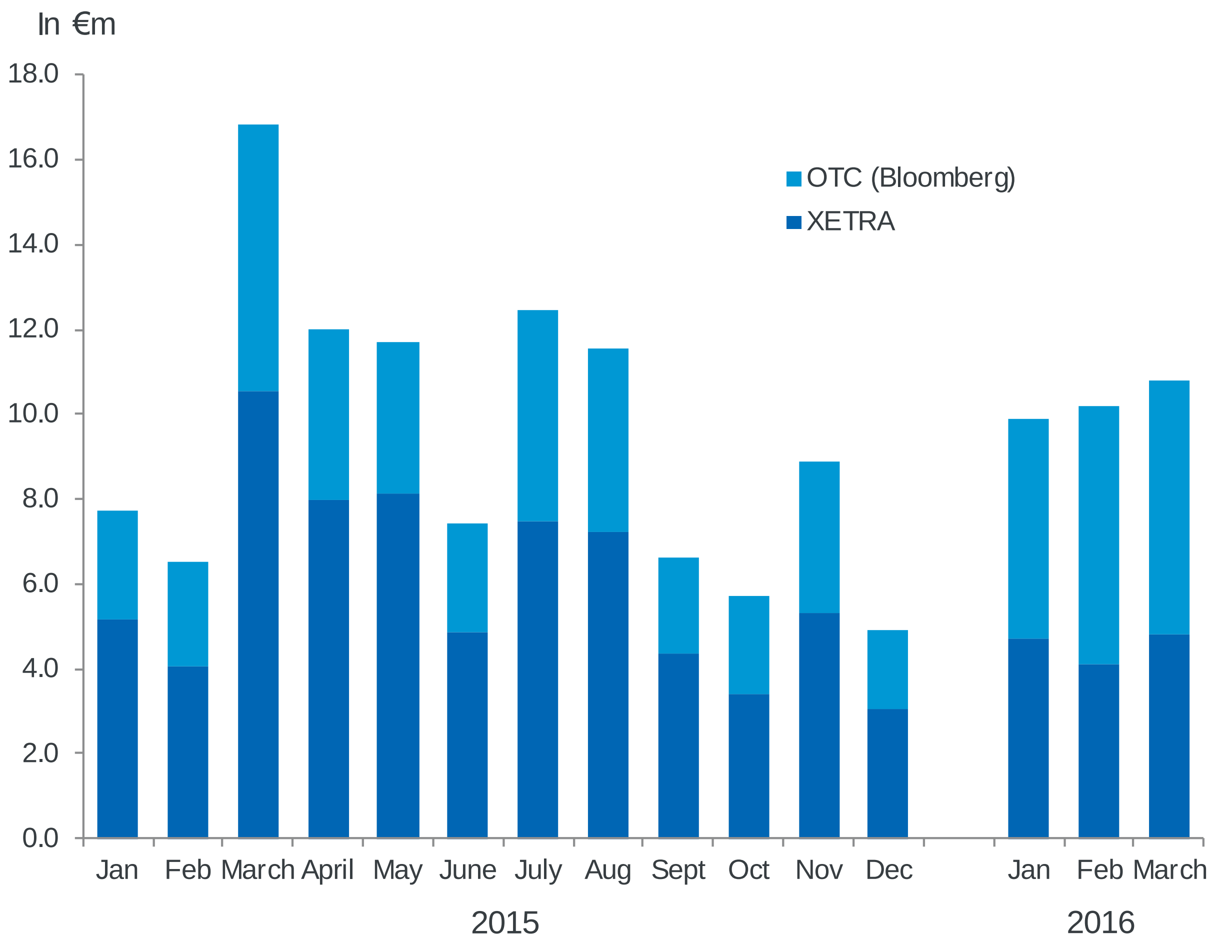
- Disciplined ressource-management: Generally no cash transfer into ailing Primary Insurance units
- Restrictive use of profit (and loss) sharing agreements in German Life
- Definition of standalone business-specific RoE targets by division that also drive remuneration
- Disposal of non-core activities (e.g. Bulgaria, Luxemburg, Ukraine, Liechtenstein, non-core German assets)
- Diversification benefits reflected in our internal model

[1] Applying an average sector P/E of 10 on an assumed Primary Insurance net profit of €271m, according to 2016 earnings estimates based on the sell-side consensus by Talanx and by Hannover Re (April 2016). Talanx' stake in Hannover Re is 50.2%

[2] Xetra closing on 31 March 2016

Rigorous focus on value creation in the Group

Average daily liquidity in the Talanx share



Source: Deutsche Börse, Bloomberg, own calculations

Comments

- In 2015, the Talanx share had an average daily trading volume of slightly below €10m – of which roughly €6m per day via Xetra
- In 2015, Talanx's free-float market cap stood at an average ~0.8% of the overall MDAX market cap
- Its respective share of traded volumes was higher at ~1.0%
- Following the 2015 increase in free-float to 21.0% given the placement of Meiji Yasuda shares, Talanx's position in the MDAX is well-founded (in March 2016: #38 in market cap and #41 in turnover)

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Key achievements 2015
Industrial Lines: „Balanced Book" – Status update

Property portfolio under review				
Total Portfolio in GWP	€1,370m			
Share of premium under review 2015	€300m			
Corresponding written capacity under review	€117bn			
	Premium	**%**	**Capacity**	**%**
thereof already finally negotiated	€303.7m	101.2% (of total)	€117.7bn	100.6% (of total)
- premium and capacity reduction due to reduced shares and cancelled accounts	€48.1m	15.8% (of negotiated)	€25.5bn	21.7% (of negotiated)
+ premium increase because of improved premium quality on remaining premium	€22.7m	8.9% (of remaining)	---	
- effect of additional reinsurance measures	€8.4m		€8.5bn	
= results	€269.9m		€83.7bn	
Premium to exposure for finally negotiated portfolio				
Relative improvement of portfolio quality i.r.o. finally negotiated premium to premium under review as end of December 2015	25.0%			

Comments

- „Balanced Book" targets for a more symmetrically structured and adequately priced portfolio
- A €300m premium portfolio in Property has been identified and renegotiated successfully
- The premium to risk ratio improved by 17%, or even 25% when including positive effects of additional reinsurance measures
- Similar initiatives in Fleet and in Marine

Significant improvement of portfolio quality

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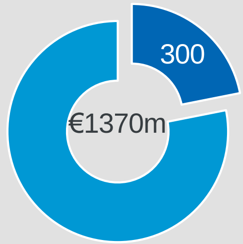
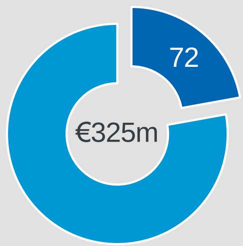
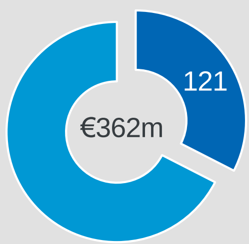
Industrial Lines – Profitabilisation measures in Germany

	Portfolios under review (GWP)	Results from negotiations (gross)		Portfolio improvement
Property[1]		Negotiated	€303.7m	Premium to capacity ratio +25%[1,2]
		Effects on premium	- 8.4%	
		Capacity	- 21.7%	
Marine[1]		Negotiated	€71.8m	Premium to capacity ratio +30%[1]
		Effects on premium	-5.3%	
		Capacity	-26.9%	
Motor[3]		Negotiated	€121m	Expected improvement in loss ratio by FY2016 ≥ 3%pts[5]
		Effects on premium	-10.1%	
		Effect on losses[4]	~ -14%	

■ Premium negotiated

[1] In respect of portfolio under review
[3] German business only
[5] Assuming constant claims statistic; FY2015 loss ratio: 84.4% (gross)
[2] Including effect of additional specific reinsurance measures
[4] Expected, in terms of loss volume

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Key achievements 2015
Retail Germany: Laying the foundation stone for "KuRS"

Life	✓ New capital efficient product portfolio developed and successfully launched with time to market less than a year ("**Modern classic**") ✓ **Strong growth** in profitable biometric and credit life insurance business ✓ Implementation of real time **electronic risk assessment** for HDI disability insurance ✓ Successful implementation of digital corporate pension portal solution ("**HDI bAVnet**"), awarded with the price "digital lighthouse insurance in 2015" by German newspaper Süddeutsche Zeitung ✓ Further reduction of balance-sheet risks due to **write-down of full goodwill** (€155m) in 2015 ✓ Decline in average life guarantee rate from 2.8 to 2.6% - average running yield 0.8%pt higher (2014: 0.7%pt)
Non-Life	✓ **Stabilisation of operations** via complete reduction of backlogs (from 800 thousand items to zero) ✓ Further **improvement of portolio** quality, e.g. reduction of claims ratio ✓ **Going live and optimisation of hdi.de** application workflow for car insurance on 30 October 2015 ✓ Initial approaches in relation to **process optimisation** and **increasing proportion of automatic processing** implemented
Overall	✓ **Investment and efficiency program "KuRS" launched in FY2015** to sustainably optimize Retail Germany and its competitive position and the aim of closing the expense gap of ~€240m in Retail Germany largely until 2020. Positive yearly impact on Group net income from 2017 onwards expected ✓ In 2015, the Retail Germany management board was realigned with **a strong and experienced leadership team** to ensure clear responsibility for lines of business

Key achievements 2015
Retail International: Overview Core Markets

Brazil

GWP growth (local currency)	+16.1%	
Combined ratio	99.3%	+0.5%pts
EBIT (€)	46.4m	+9.7%

Poland

GWP growth (local currency)	+1.4%	
o/w Life	+4.3%	
o/w Non-Life	-0.2%	
Combined ratio[1]	96.4%	+0.3%pts
EBIT (€)	112.9m	-1.3%
o/w Life	23.6m	+18.5%
o/w Non-Life	89.4m	-5.5%

Mexico

GWP growth (local currency)	+38.0%	
Combined ratio	93.2%	+0.8%pts
EBIT (€)	8.3m	-19.5%

Turkey

GWP growth (local currency)	+15.0%	
Combined ratio	102.5%	-0.7%pts
EBIT (€)	4.8m	+96.8%

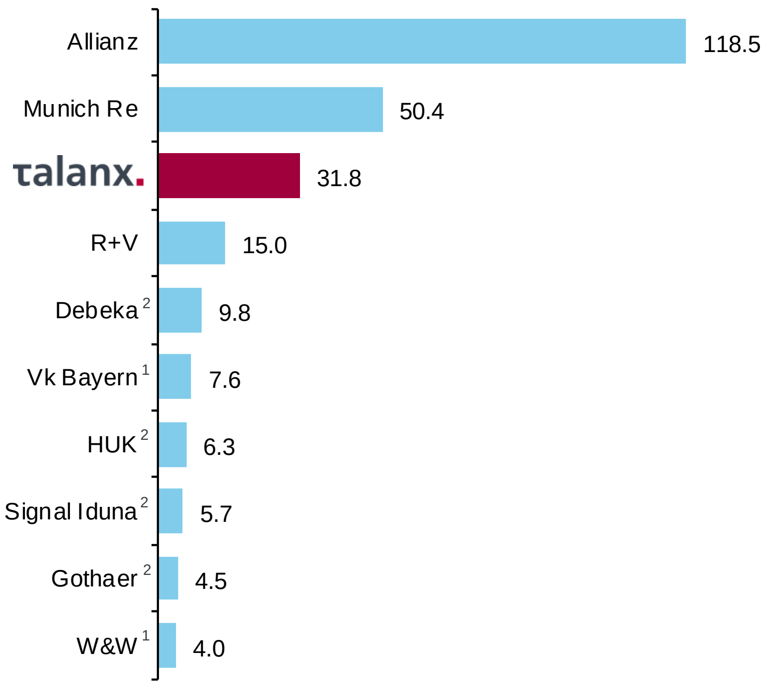
[1] Combined ratio for Warta only

All core markets in Retail International with profitable growth

Among the leading European insurance groups

Top 10 German insurers

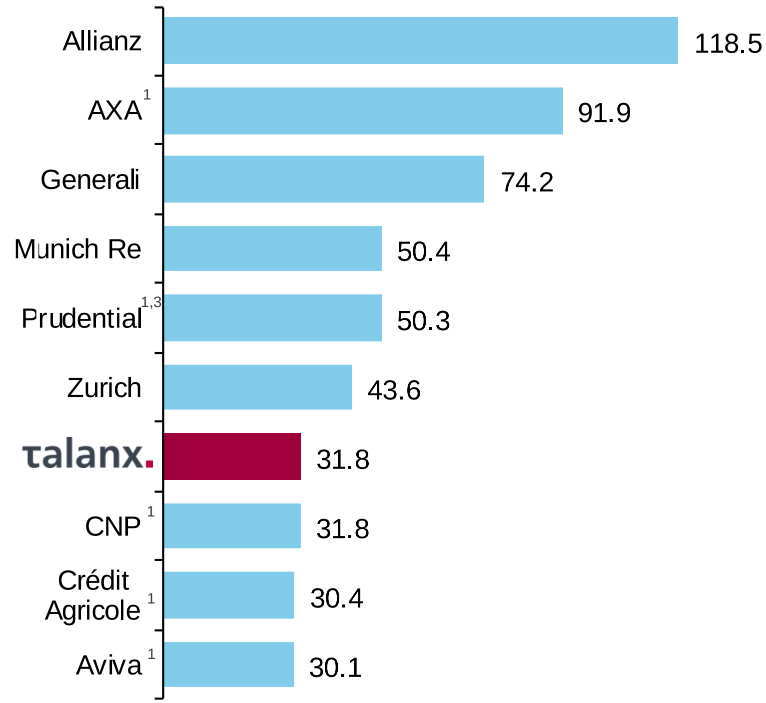
German insurers by global GWP (2015, €bn)



[1] Preliminary figures
[2] Figures of 2014
[3] Gross Earned Premiums

Top 10 European insurers

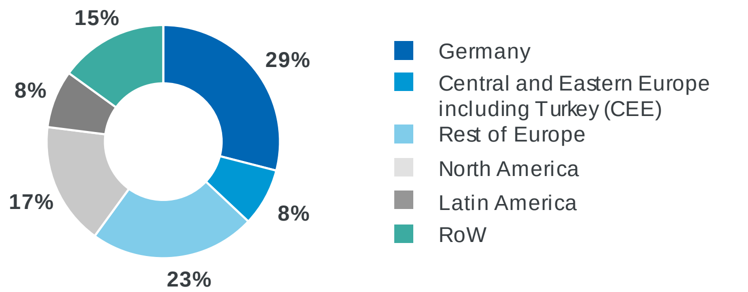
European insurers by global GWP (2015, €bn)



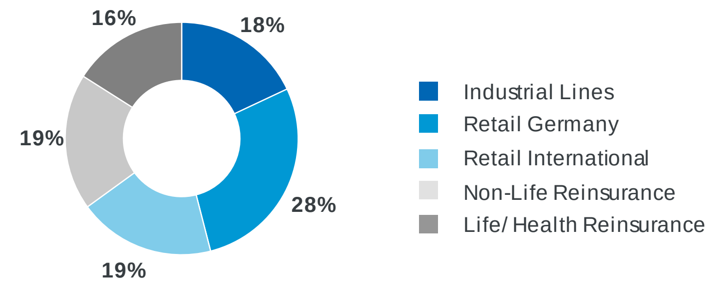
Third-largest German insurance group with leading position in Europe

Regional and segmental split of GWP and EBIT

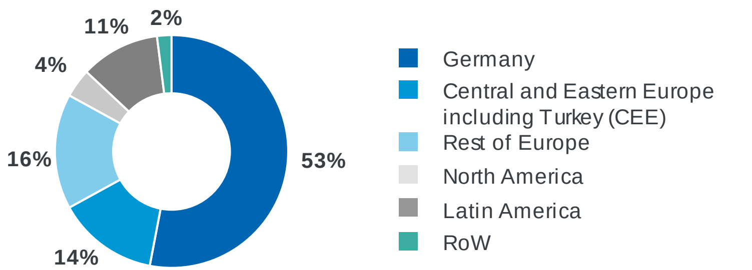
GWP by regions 2015 (consolidated Group level)



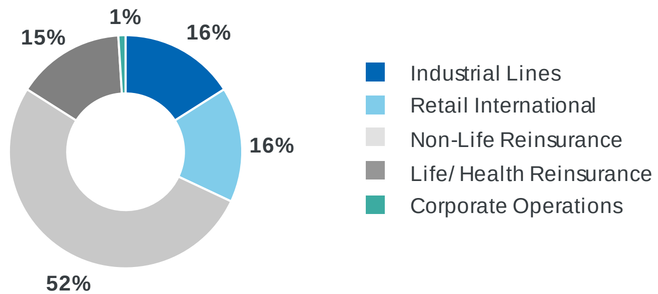
GWP by segments 2015[1]



GWP by regions 2015 (Primary Insurance)



EBIT by segments 2015[1,2]



[1] Adjusted for the 50.2% stake in Hannover Re
[2] Calculation excludes Retail Germany, which contributes an additional EBIT of €3m due to goodwill impairment of €155m; Group functions and consolidation line have a negative effekt of €48m on Group EBIT

Well diversified sources of premium and EBIT generation

B2B competence as a key differentiator

Strategic focus on B2B and B2B2C

Industrial Lines
- Core focus on corporate clients with relationships often for decades
- Blue-chip client base in Europe
- Capability and capacity to lead international programs

Retail Germany
- Market leader in Bancassurance
- Market leader in employee affinity business

Retail International
- ~35% of segment GWP generated by Bancassurance
- Distribution focus on banks, brokers and independent agents

Reinsurance
- Typically non-German business generated via brokers

Unique strategy with clear focus on B2B business models

Excellence in distribution channels[1]

Channel	Samples
Bancassurance	Postbank, citibank, BB Bank, Degussa Bank, Targo Bank, BRE Bank SA, Sparkasse, Magyar Posta, HSBC Brazil, getin holding
Automotive	Daimler, Volvo, Porsche, Chevrolet
Brokers	Retail: SwissLife Select, MLP; Industrial/Reinsurance: Marsh, Willis, Aon
Employee affinity business	Siemens, Bayer, RWE, Volkswagen Aktiengesellschaft, Daimler

[1] Samples of clients/partners

Superior service of corporate relationships lies at heart of our value proposition

Key Pillars of our risk management

1

Asset risk is limited to less than 50% of our SCR (solvency capital require-ment)

2

Generating positive annual earnings with a probability of 90%

3

Sufficient capital to withstand at least an aggre-gated 3,000-year shock

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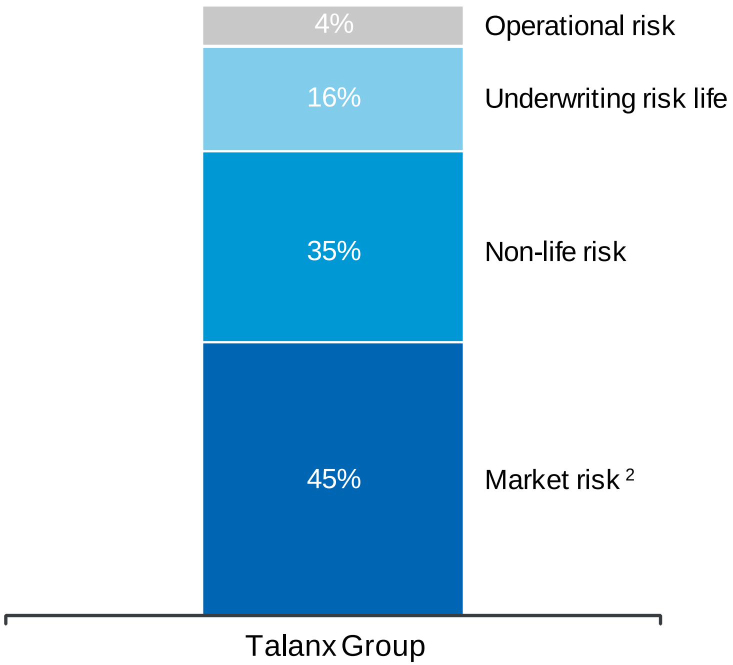
1 Focus on insurance risk

Risk components of Talanx Group[1]



Comments

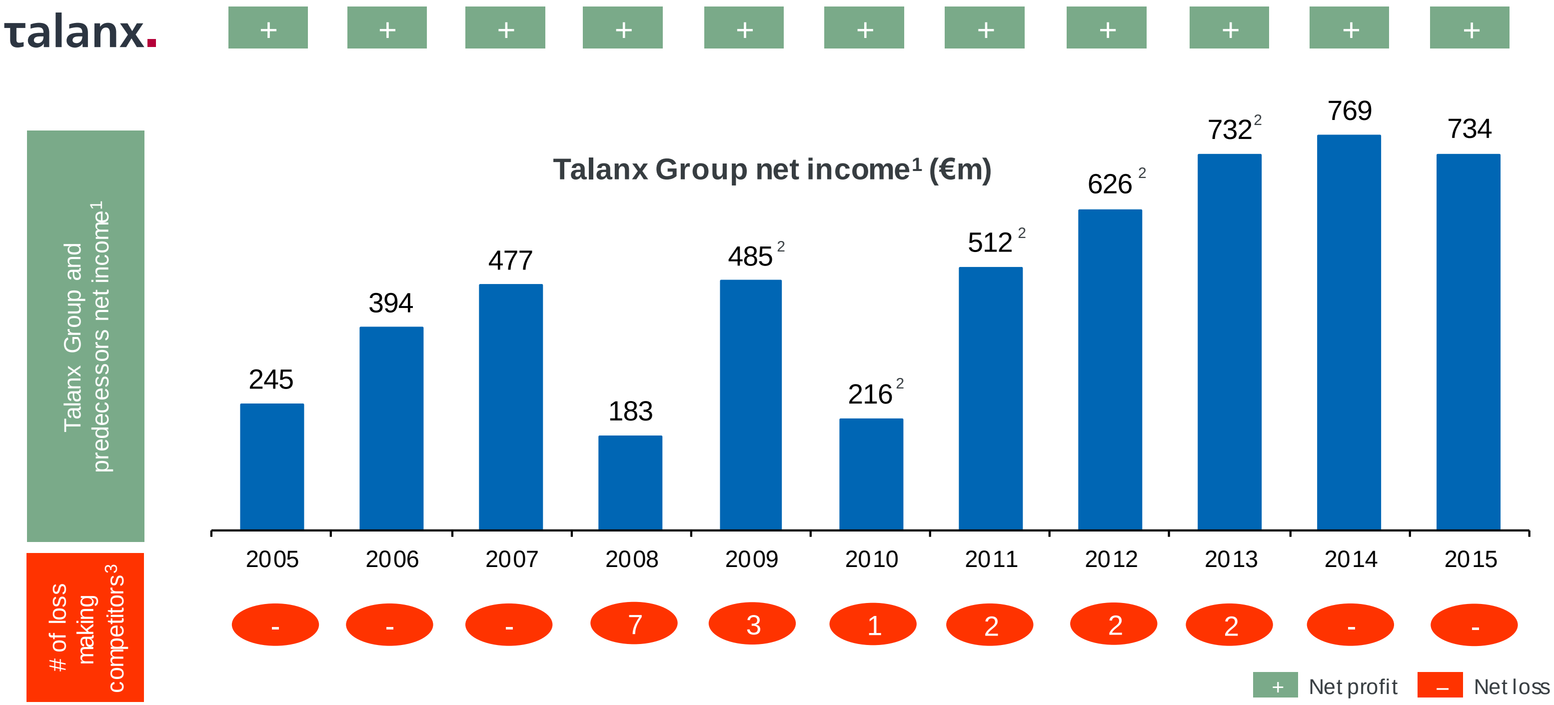
- Total market risk stands at 45% of solvency capital requirements, which is comfortably below the 50% limit
- Self-set limit of 50% reflects the dedication to primarily focus on insurance risk
- Non-Life is the dominating insurance risk category, comprising premium and reserve risk, NatCat and counterparty default risk
- Equities ~1% of investments under own management
- GIIPS sovereign exposure 1.9% of total assets in FY2015 (FY 2014: 1.8%)

[1] Figures show approximate risk categorisation, in terms of solvency capital requirements, of the Talanx Group after minorities, after tax, post diversification effects as of 12/2014
[2] Refers to the combined effects from market developments on assets and liabilities

Market risk sensitivity (limited to less than 50% of solvency capital requirement) is deliberately low

2 Diversification of business model leads to earnings resilience

Talanx Group net income



[1] Net income of Talanx after minorities, after tax based on restated figures as shown in annual reports (2005–2015 according to IFRS)
[2] Adjusted on the basis of IAS 8
[3] Top 20 European peers, each year measured by GWP; on group level; IFRS standards
Source: Bloomberg, annual reports

Robust cycle resilience due to diversification of segments

3 TERM (Talanx Enterprise Risk Model) 2014 – Capitalisation perspectives

MODEL APPROVED
by German regulator BaFin

Economic View (shareholder perspective)	194% ✓	▪ economic equity (no hybrids and surplus funds) ▪ after minorities

- inclusion of hybrids and surplus funds ⇧

Policyholder & Debt investor View	299% ✓	▪ economic capital (incl. hybrids and surplus funds; excl. foreseeable dividends) ▪ before minorities

- before minorities, with haircut ⇩
- operational risk modeled with standard formula ⇩

Regulatory View[1]	182%[2] ✓	▪ economic capital (including hybrids and surplus funds) ▪ before minorities and (in consequence) with haircut on Talanx's minority holdings ▪ operational risk modeled with standard formula

Note: all calculations are based on a 99.5% confidence level. They all do not take any transitionals into account. We model with a dynamic volatility adjuster.
[1] The regulatory view focuses on the HDI-Group as the regulated entity with HDI V. a. G. as ultimate parent undertaking. [2] Figure has been retrospectively adjusted from 174% to 182%

Comfortable capital position from all angles

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3 TERM 2014 update – How does Talanx determine risk-bearing capacities?

Policyholder & Debt investor View (before minorities)

	Basic Own Funds (BOF bd)	€17.1bn
/	SCR_{BOF}	€5.7bn
=	BOF CAR	299%
	Minimum CAR (VaR 99.5%) for capital allocation	200%
	Capital Buffer	€5.7bn €17.1bn - (200% * €5.7bn)
-	Capital Buffer for uncertainties	€1.7bn
=	Remaining Capital Buffer	€4.0bn €17.1bn - (200% * €5.7bn) - €1.7bn

Comments

- When determining risk bearing capacities, Talanx considers an additional capital buffer for uncertainties
- The qualitative capital buffer reduces the capital available to cover quantified risks at Group level
- Further assessment of risk bearing capacity and the establishment of limits and thresholds is performed based on the minimum CAR of 200% (threshold 220%) minus a capital buffer for uncertainties of €1,700m
- On Group level, Talanx aims for a higher capitalisation level in line with its target to achieve an AA rating in the capital model of Standard & Poor's

When determining risk-bearing capacities remaining uncertainties are additionally reflected by deducting a capital buffer of €1.7bn

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Summary - Investment highlights

- Global insurance group with leading market positions and strong German roots
- Leading and successful B2B insurer
- Value creation through group-wide synergies
- New profitability measures implemented in Industrial Lines and Retail Germany
- Dedication to focus on insurance rather than market risks
- Commitment to continuously fulfill a „AA“ capital requirement by Standard & Poor‘s
- Dedication to pay out 35-45% of IFRS earnings to shareholders

FY2015 results – Key financials

Summary of FY2015

€m, IFRS	FY2015	FY2014	Change
Gross written premium	31,799	28,994	+10%
Net premium earned	25,937	23,844	+9%
Net underwriting result	(1,370)	(2,058)	n/m
Net investment income	3,933	4,144	(5%)
Operating result (EBIT)	2,182	1,892	+15%
Net income after minorities	734	769	(5%)
Key ratios	**FY2015**	**FY2014**	**Change**
Combined ratio non-life insurance and reinsurance	96.0%	97.9%	(1.9%)pts
Return on investment	3.6%	4.1%	(0.5%)pts
Balance sheet	**FY2015**	**FY2014**	**Change**
Investments under own management	100,777	96,410	+5%
Goodwill	1,037	1,090	(5%)
Total assets	152,760	147,298	+4%
Technical provisions	106,832	101,109	+6%
Total shareholders' equity	13,431	12,900	+4%
Shareholders' equity	8,282	7,998	+4%

Comments

- GWP up by 9.7% y/y, also helped by currency effects (currency-adj.:4.8%). All segments apart from Retail Germany contributed to growth, Reinsurance division main growth driver
- Net underwriting result significantly up, mainly due to improved combined ratios in all segments and lower RfB contribution in Retail Germany – base effect from FY2014, which was impacted by balance sheet strengthening measures
- Group combined ratio improved y/y by 1.9%pts, mainly on the back of a lower loss ratio (FY2015: 69.1%; FY2014: 70.8%), but also a slight cost ratio improvement
- Decline in investment result was due to a ~€450m lower extraordinary investment result (including last year's effect from the sale of the remaining Swiss Life stake) while ordinary investment result was up by ~€240m
- Net income only €35m down despite the burden from €155m goodwill impairment on German Life and higher tax charges
- Shareholders' equity increased ytd to €8,282m, or €32.76 per share (FY2014: €31.64). Solvency I ratio slightly down to 219% (FY2014: 228%)

Strongly improved on net underwriting and EBIT level

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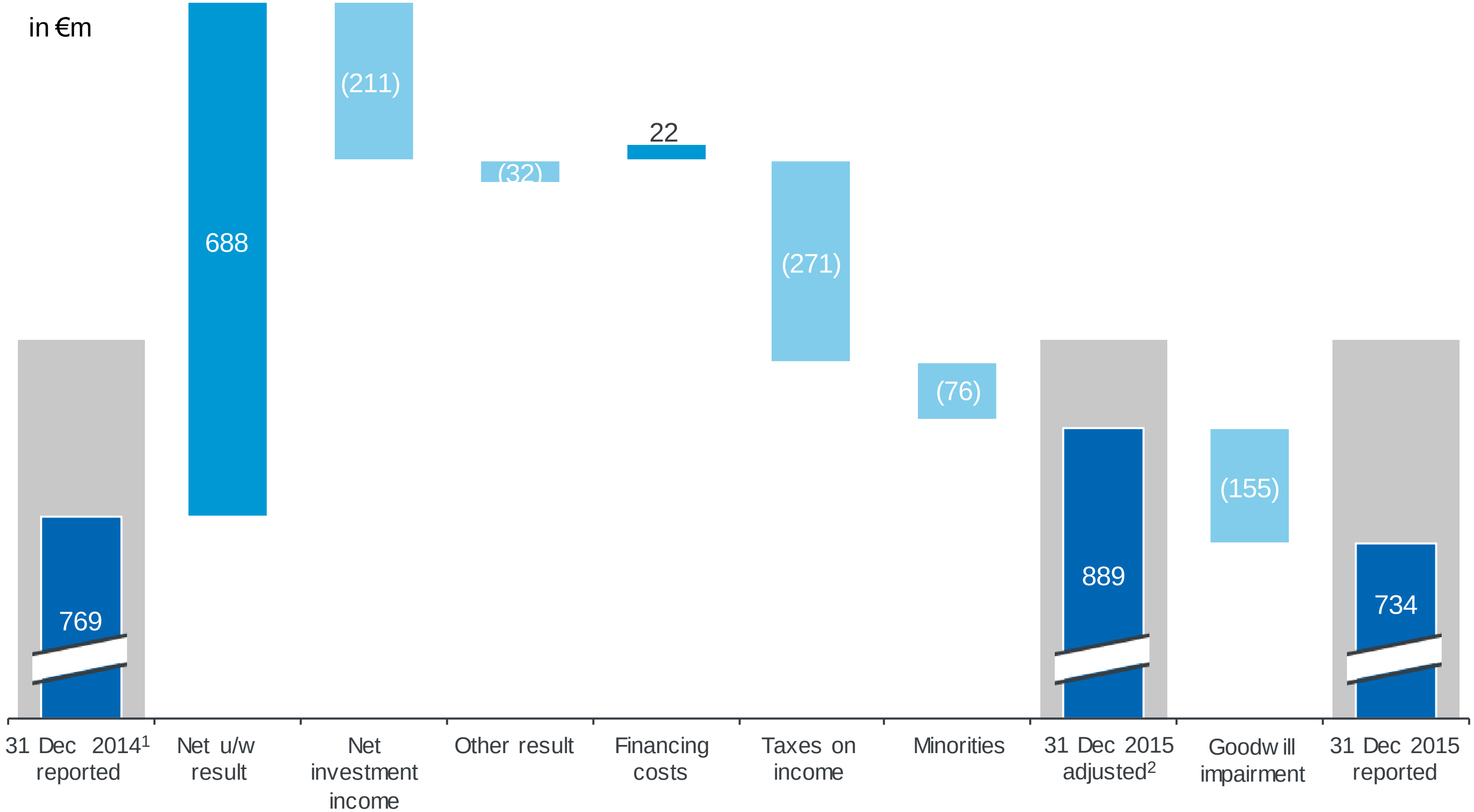
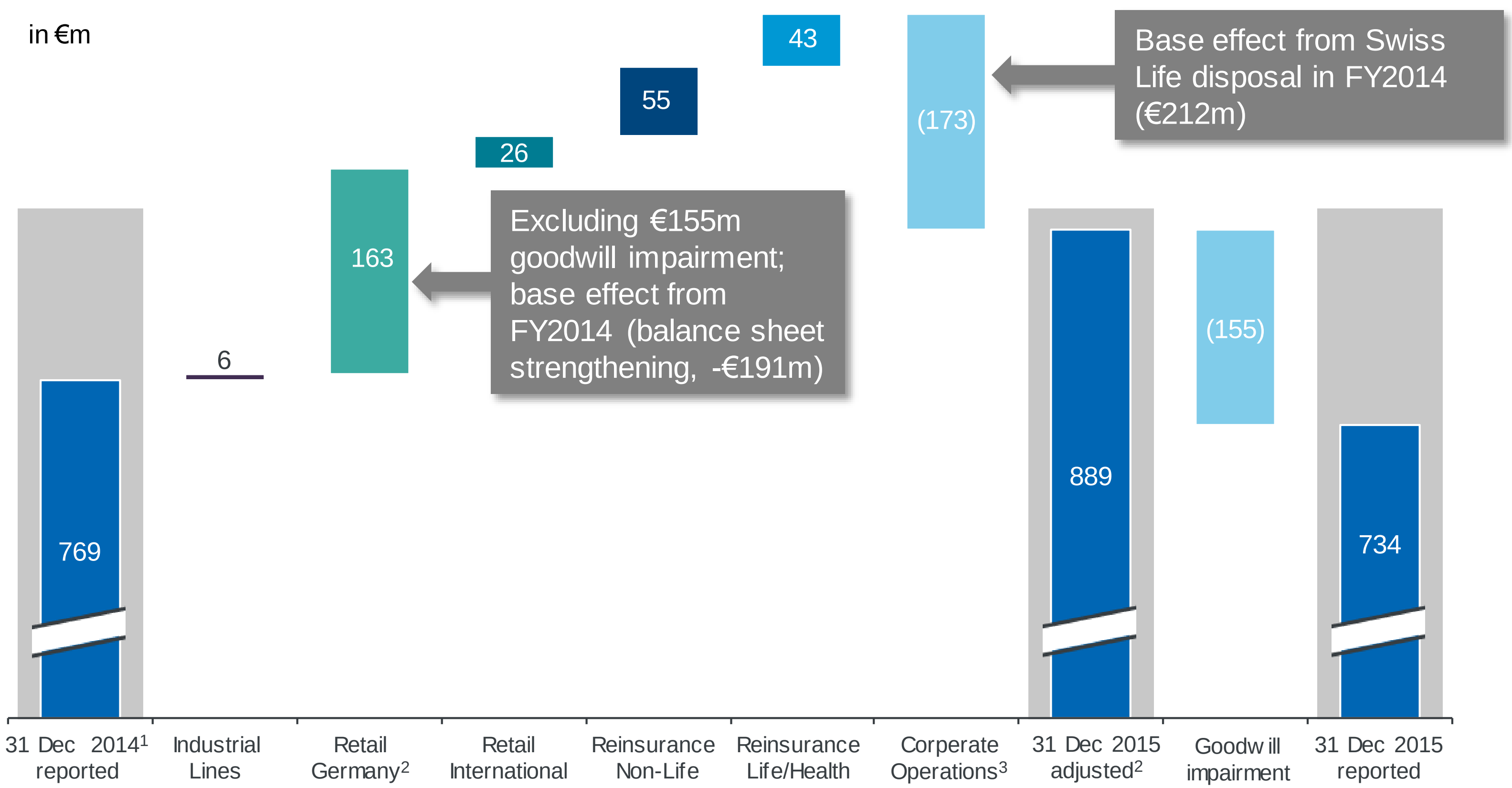


[1] Includes disposal gain Swiss Life (booked in Corporate Operations; €212m), balance sheet strenghtening measures (Retail Germany -€191m; Consolidation: -€15m)
[2] Excluding goodwill impairment (€155m)

Strongly improved net underwriting result is the main driver for the Group net income

FY2015 – Segmental contribution to change in Group net income



[1] Includes disposal gain Swiss Life (booked in Corporate Operations; €212m), balance sheet strenghtening measures (Retail Germany -€191m; Consolidation: -€15m)
[2] Excluding goodwill impairment (€155m)
[3] Including Consolidation

Adjusting for the goodwill impairment, Group net income would be close to €890m

Outlook for Talanx Group 2016[1]

Gross written premium	**stable**
Return on investment	**≥3.0%**
Group net income	**~€750m**
Return on equity	**>8.5%**
Dividend payout ratio	**35-45% target range**

[1] The targets are based on an unchanged large loss budget of €290m in Primary Insurance, of which €260m in Industrial Lines. The large loss budget in Reinsurance has been raised to €825m from €690m

Targets are subject to no large losses exceeding budget (cat), no turbulences on capital markets (capital), and no material currency fluctuations (currency)

Mid-term Target Matrix

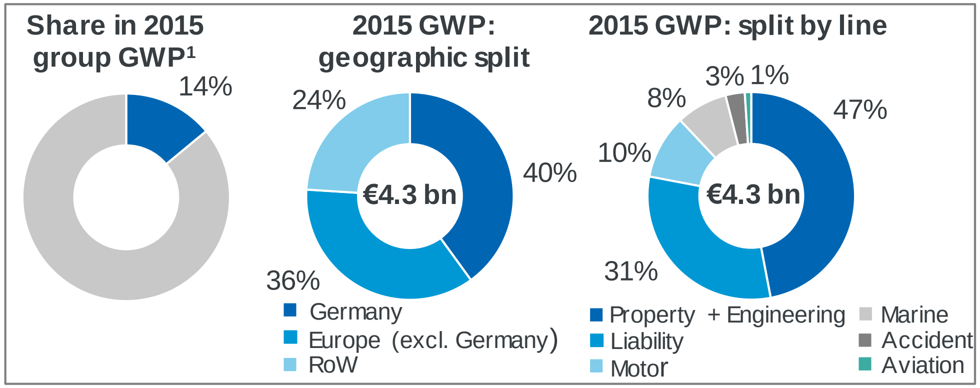
Segments		Key figures	Strategic targets (2015 - 2019)
Group		Gross premium growth[1]	3 - 5%
		Return on equity	≥ 750 bps above risk free[2]
		Group net income growth	mid single-digit percentage growth rate
		Dividend payout ratio	35 - 45%
		Return on investment	≥ risk free + (150 to 200) bps[2]
Primary Insurance	Industrial Lines	Gross premium growth[1]	3 - 5%
		Retention rate	60 - 65%
	Retail Germany	Gross premium growth	≥ 0%
	Retail International	Gross premium growth[1]	≥ 10%
		Combined ratio[3]	~ 96%
		EBIT margin[4]	~ 6%
Non-Life Reinsurance[7]		Gross premium growth[6]	3 - 5%
		Combined ratio[3]	≤ 96%
		EBIT margin[4]	≥ 10%
Life & Health Reinsurance[7]		Gross premium growth[1]	5 - 7%
		Average value of New Business (VNB) after minorities[5]	> € 90m
		EBIT margin[4] financing and longevity business	≥ 2%
		EBIT margin[4] mortality and health business	≥ 6%

[1] Organic growth only; currency-neutral
[2] Risk-free rate is defined as the 5-year rolling average of the 10-year German government bond yield
[3] Talanx definition: incl. net interest income on funds withheld and contract deposits
[4] EBIT/net premium earned, [5] Reflects Hannover Re target of at least €180m
[6] Average throughout the cycle; currency-neutral, [7] Targets reflect Hannover Re's targets for 2015-2017 strategy cycle
Note: growth targets are based on 2014 results. Growth rates, combined ratios and EBIT margins are average annual targets

- Segments -

Industrial Lines - Overview

Key figures



Key financials (€m)	FY2012	FY2013	FY2014	FY2015	Change
Gross written premium	3,572	3,835	4,031	4,295	+7%
Net premium earned	1,608	1,744	2,022	2,213	+9%
Net underwriting result	79	(42)	(61)	18	n/m
Net investment income	247	240	268	206	(23%)
Operating result (EBIT)	259	129	182	208	+14%
Combined ratio[2] in %	*95.1*	*102.4*	*103.0*	99.2	(3.8%)pts
Return on Equity in %	*8.8*	*4.2*	*6.3*	6.2	(0.1%)pts

[1] Based on total GWP adjusted for 50.2% share in Hannover Re
[2] Net, including income from interest on deposits

Comments

- FY2015 GWP up 6.6% y/y, backed by currency effects (curr.-adj.:+2.5%). Q4 2015 GWP grew by 5.3% (curr.-adj.: +0.3%), slightly dampened by initial effects from profitabilisation measures, e.g. “Balanced Book”. Main growth driver was international business (e.g. Latin America, US, UK)
- Moderate increase in FY2015 retention rate (51.8%; FY2014: 50.9%), while Q4 2015 is negatively impacted by higher reinstatement premium (Q4: €56m, Q4 2014: €12m) and more fronting business in the US
- Combined ratio in Q4 2015 helped by lower large losses and a positive run-off result, partly compensated by a cost ratio above its normal run-rate
- Tax rate (FY2015: 36.3%) above the level of FY2014 (30.9%)

Talanx is a leading European industrial lines insurer with global ambitions

Industrial Lines - An impressive long-standing client franchise

Overview of selected key customers by customer segment

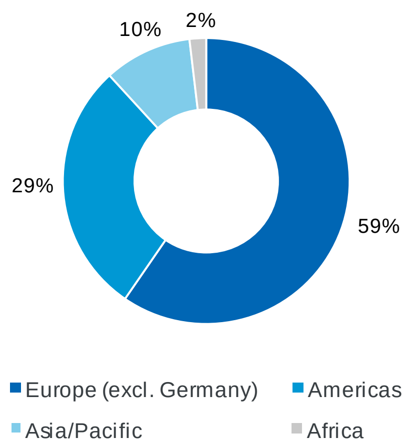
German mid-market (“Industry”)	German corporates (“Multinationals”)	Europe
DEUTZ	ThyssenKrupp	PHILIPS
MAX BÖGL	VOLKSWAGEN AKTIENGESELLSCHAFT	engie
nobilia	Bayer	Nestlé
SMA	BASF The Chemical Company	PIRELLI
GASAG	SAP	GROUPE RENAULT
Dräger	SIEMENS	gsk GlaxoSmithKline
FUCHS	e·on	Ferrari
POSSEHL	DAIMLER	MICHELIN
DIEHL	METRO GROUP	AIR FRANCE

Well-established relationships with main players in targeted segments

Industrial Lines - Global business

Foreign business by regions

International GWP 2015: ~€2.6bn*



* In total ~€4.3bn GWP in Industrial Lines (incl. Germany)

Global locations (GWP 2015 in €m)[1]

USA	502	UK	220	Spain	137
Netherlands	380	Switzerland	206	Italy	129
France	319	Belgium	188	Austria	107[2]

Argentina	Denmark	Mexiko	Sweden
Australia	Greece	Norway	Turkey
Bahrain	Hongkong	Poland	Uruguay
Brazil[3]	Hungary	Russia	Vietnam
Canada	India	Singapore	
Chile	Ireland	Slovakia	
Czech. Rep.	Japan	South Africa	

1 GWP shown for all entities with more than €100m GWP in 2015
2 Incl. branches in Czech Republik, Slovakia and Hungary
3 Established in August 2014

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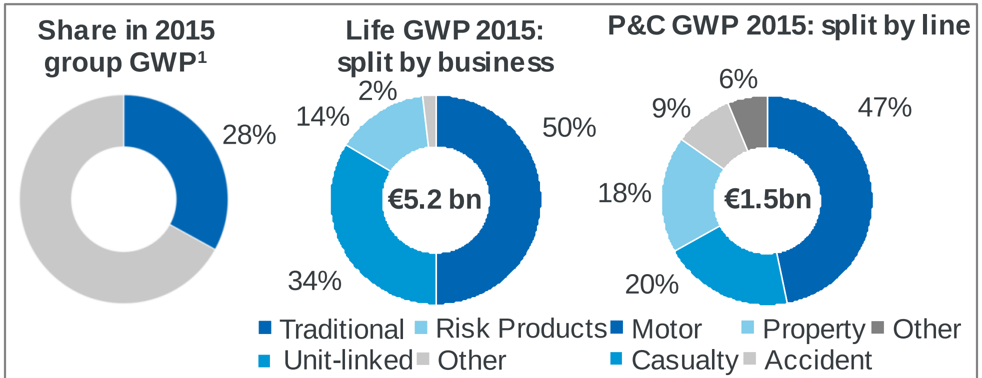
Retail Germany - Overview

Key figures



Key financials (€m)	FY2012	FY2013	FY2014	FY2015	Change
Gross written premium	6,829	6,954	6,890	6,667	(3%)
Net premium earned	5,501	5,605	5,630	5,418	(4%)
Net underwriting result	(1,425)	(1,515)	(1,953)	(1,463)	n/m
Net investment income	1,621	1,786	1,899	1,731	(9%)
Operating result (EBIT)	100	161	(115)	3	n/m
Combined ratio[2] in %	*100.6*	*102.4*	*108.6*	*99.3*	*(9.3%)pts*
Return on Equity in %	*4.8*	*3.0*	*(2.9)*	*(2.7)*	*n/m*

[1] Based on total GWP adjusted for 50.2% share in Hannover Re
[2] Including interest income on funds withheld and contract deposits; net, property/casualty only

Comments

- FY2015 Life GWP down by 3.4% consistent with the targeted reduction of classical and single-premium business
- Costs for strategic program "KuRS" sum up to €89m, about two-third of this booked in "other result". €54m affected FY2015 EBIT. Negative impact of ~0.9%pts (loss ratio: 0.2%pts; cost ratio: 0.7%pts) on combined ratio (reported: 99.3%; adj.: 98.4%)
- Improvement in combined ratio mainly due to lower large-sized losses as well as a positive run-off result in Q4 2015. Base effect from last year's balance-sheet strengthening measures
- Decline in investment result due to lower extraordinary result, while ord. investment result is up. FY2015 ZZR allocation – according to HGB – of €493m (Q4 2015: €131m). Total ZZR stock reached €1.56bn
- Next to the effects from KuRS, FY2015 was impacted by the write-down of the complete goodwill (€155m) attributable to Life business reported with 6M 2015 results

Profitability numbers in Retail Germany affected by balance sheet strengthening measures

Retail Germany - Division breakdown

Retail Germany

Bancassurance

- Strategic focus on credit risk protection and annuities business
- Talanx cooperates through banc-assurance agreements with two of the three pillars of the German banking market (private and public sectors)

TARGO•VERSICHERUNG
neue leben Versicherungen
PB Versicherungen Partner der Postbank

Life

- Non-bancassurance Life business distributed through various external channels as well as own branches and tied agents
- Focus on corporate pension business, disability insurance and "new classic" products (e.g. TwoTrust brand)

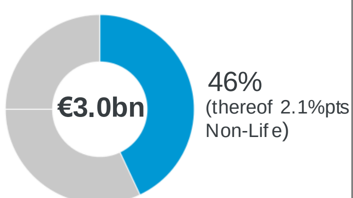
HDI

P&C

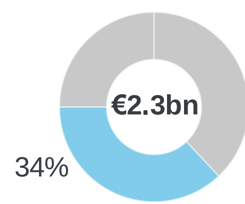
- Distribution through various external channels as well as own branches, brokers and tied agents
- Offers full product spectrum of P&C insurance products

HDI

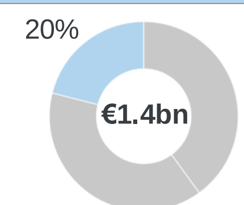
Share in 2015 segment GWP



Share in 2015 segment GWP



Share in 2015 segment GWP



Multi-brand, multi-channel and high-penetration approach to customers

Retail Germany - Operating model target

Life

	Bancassurance	HDI
€	▪ Streamlined, profitable and capital efficient product portfolio with reduced guarantees	
⚙	▪ Continued, active in-force portfolio management	
☺	▪ Balanced insurance portfolio	
€€€	▪ Cost leadership	▪ Market average cost level €€€
💻	▪ Digitalisation of services in cooperation with distribution partners	▪ Sustainable, profitable distribution partners and channels

P&C

- Perception as a dynamic and fast acting insurance company
- Growth, particularly in commercial liability/casualty/property business/self-employed professions (i.e. tax advisory, lawyers)

Produkte
- Offering modular and standardised products with low complexity, which are easy to understand for distribution partners and customers

Service
- High quality 24/7 service and increased time to market based on modernised IT
- Market leader in claims management

€€€
- Competitive cost ratios

Kanäle
- Implemented and profitable direct/multi-access capacity

Implementation of IT fundamentals

Harmonised and standardised future life IT landscape

Harmonised and standardised future P&C IT landscape

Retail Germany - New efficiency program “KuRS” (Overview)

Efficiency Program – Mission

- Launched in FY2015 to sustainably optimise Retail Germany and its competitive position
- Focus on strategic realignment, optimisation of business processes, modernisation of IT infrastructure and improved cost efficiency
- Covering all business lines of HDI and Bancassurance in Life and Non-Life

Main financial goals

- Closing the expense gap of ~€240m in Retail Germany by FY2020
- Positive yearly impact on Group net income from 2017 onwards expected

Key measures

Alignment of product portfolio

- Higher grade of standardisation; reducing product complexity
- Increased focus on risk, biometric and payment protection products in Life business and capital-efficiency

Improved business processes

- Modernisation and simplification of IT environment
- Optimisation of business processes
- Enhancement of automated processes (focus on straight-through-processing)

Cost reduction

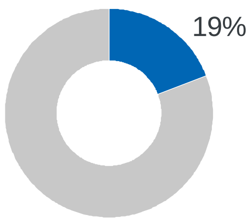
- Targeted reduction of combined FTE in Life and Non-Life of ≥600
- Additional reduction of other admin expenses

Positive effects from efficiency program on Group P&L from 2017 onwards

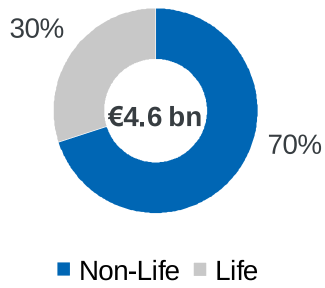
Retail International - Overview

Key figures

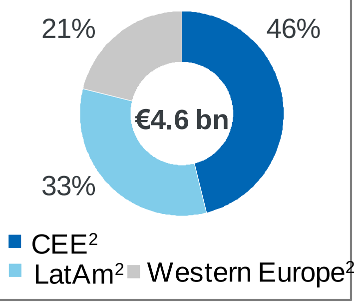
Share in 2015 group GWP[1]



2015 GWP: business split



2015 GWP: geographic split



Key financials (€m)	FY2012	FY2013	FY2014	FY2015	Change
Gross written premium	3,261	4,220	4,454	4,643	+4%
Net premium earned	2,621	3,513	3,735	3,706	(1)%
Net underwriting result	3	32	(11)	(7)	n/m
Net investment income	281	284	321	338	+5%
Operating result (EBIT)	107	185	208	217	+4%
Combined ratio in %	*96.2*	*95.8*	*96.4*	*96.3*	*(0.1%)pts*
Return on Equity in %	*3.5*	*5.9*	*7.0*	*7.9*	*+0.9%pts*

[1] Based on total GWP adjusted for 50.2% stake in Hannover Re
[2] CEE including Turkey and Russia; LatAm including Mexico; Western Europe including Italy, Austria and Luxembourg

Comments

- FY2015 GWP grew by 4.2% y/y (curr.-adj.: +7.6%), negatively impacted by currency effects from Brazil and Turkey. In Q4 2015, the segment grew by 2.9% (curr.-adj.: +6.1%)
- Growth driver was Non-Life business (curr.-adj.: +16.7%; excl. Magallanes acquisition[3]: +8.9%), mainly due to double-digit growth in Mexico and Turkey – even in euro terms. Brazil: Despite currency effects (FY2015 GWP: -2%; curr-adj: +16%) FY2015 EBIT grew by ~10% to over €46m (Q4 2015 flat)
- Decline in Life GWP mainly due to base effect from strong single-premium business in FY2014 (e.g. Italy); positive trend in Q4 2015
- FY2015 combined ratio broadly unchanged; slight uptick in cost ratio due to portfolio diversification towards higher share of bancassurance and non-motor business, overcompensated by improved loss ratio, predominantly in Italy and Poland
- Improvement in operating result. €8m negative impact from deconsolidation of business in Bulgaria and Ukraine, booked in Q4 2015

[3] Consolidated from 13 February 2015; A positive deferred tax effect of €18m booked in FY2015 results from the merger with HDI Chile positive tax effect from local goodwill of €18m in FY 2015

Business in Retail Intern. compensates for German business with limited growth perspectives

Retail International - Market position in Core Markets

Poland (Non-Life) by GWP 2015[1]

Company	Market share
1. PZU	34.3%
2. Talanx (2014: #2; 16.2%)	**15.5%**
3. Ergo	13.7%
4. VIG	7.4%
5. Allianz	7.3%

Brazil (Motor) by GWP 2015[1]

Company	Market share
1. Porto Seguro	27.4%
2. Bco. do Brasil Mapfre	14.9%
3. Bradesco	11.8%
4. Sul America	10.3%
5. Talanx (2014: #5; 7.6%)	**8.7%**

Turkey (Motor) by GWP 2015[1]

Company	Market share
1. AXA	15.8%
2. Allianz	14.8%
3. Anadolu	14.5%
4. Mapfre Genel	9.4%
5. Sompo Japan	4.9%
⋮	
12. Talanx (2014: #10; 2.9%)	**2.9%**

Mexico (Motor) by GWP 2015[1]

Company	Market share
1. Qualitas	25.3%
2. G.N.P.	14.3%
3. AXA Seguros	12.1%
4. Aba Seguros	7.0%
5. Mapfre Mexico	6.3%
⋮	
8. Talanx (2014: #9; 4.0%)	**5.0%**

[1] Source: local regulatory authorities, Talanx AG

In all of Retail International's Core Markets, market shares for Talanx's entities have improved

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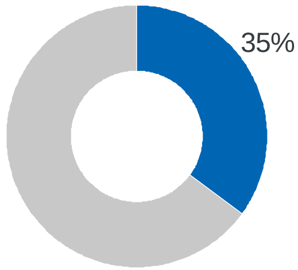
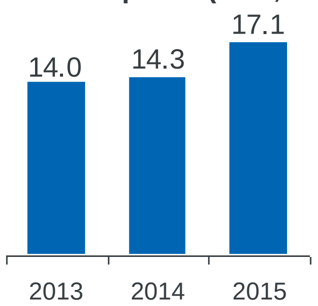
Reinsurance - Overview

Key figures

Share in 2015 group GWP[1]



GWP development (total, €bn)



Comments

Non Life:
- Growth mainly from US, Asia, Specialty lines and Agro business
- Major losses of €573m (7.1% of NPE) below budget (€690m)
- Further increase in confidence level of loss reserves despite favourable run-off result
- FY2015 EBIT margin[3] of 17.2% (FY2014:17.4%) well above target

Life/Health:
- Growth effects mainly from Longevity, Emerging Markets, especially China as well as Australia
- EBIT and EBIT margin[3] (2015: 6.3%, 2014: 5.0%) significantly up

Key financials (€m)	Non-Life					Life / Health				
	FY2012	FY2013	FY2014	FY2015	Change	FY2012	FY2013	FY2014	FY2015	Change
Gross written premium	7,717	7,818	7,903	9,338	+18%	6,058	6,145	6,459	7,731	+20%
Net premium earned	6,854	6,866	7,011	8,100	+16%	5,426	5,359	5,411	6,492	+20%
Net investment income	982	811	867	966	+11%	684	611	613	709	+16%
Operating result (EBIT)	1,133	1,097	1,219	1,391	+14%	270	139	268	411	+53%
Comb.Ratio[2] in %	*95.8*	*94.9*	*94.7*	*94.5*	*(0.2%)pts*	-	-	-	-	-

	Reinsurance				
	FY2012	FY2013	FY2014	FY2015	Change
Return on Equity in %	*16.5*	*15.9*	*15.8*	*16.1*	*1.3%pts*

[1] Based on total GWP adjusted for 50.2% share in Hannover Re
[2] Incl. expenses on funds withheld and contract deposits; net
[3] EBIT margins reflect a Talanx Group view

Hannover Re is one of the largest and most profitable reinsurers globally

Hannover Re is one of the most profitable reinsurers

	2011		2012		2013		2014		2015		2011 - 2015	
Company	RoE	Rank	RoE	Rank	RoE	Rank	RoE	Rank	RoE	Rank	avg. RoE	Rank
Hannover Re	**12.8%**	**1**	**15.4%**	**3**	**15.0%**	**3**	**14.7%**	**4**	**14.7%**	**1**	**14.5%**	**1**
Peer 1, Switzerland, Composite	9.6%	3	13.4%	5	13.7%	4	10.5%	8	13.7%	2	12.2%	2
Peer 5, Bermuda, Property & Casualty	(1.3%)	8	12.9%	6	18.4%	1	16.6%	2	13.0%	3	11.9%	3
Peer 9, Bermuda, Property & Casualty	(2.4%)	9	15.9%	2	18.0%	2	13.7%	5	9.5%	6	10.9%	4
Peer 2, Germany, Composite	3.1%	6	12.6%	7	12.5%	5	11.3%	6	10.2%	5	9.9%	5
Peer 7, France, Composite	7.5%	4	9.1%	9	11.2%	6	9.6%	9	10.7%	4	9.6%	6
Peer 4, US, Property & Casualty	4.9%	5	15.2%	4	9.4%	8	9.4%	10	7.5%	8	9.3%	7
Peer 8, US, Life & Health	10.1%	2	9.9%	8	6.5%	9	10.6%	7	7.6%	7	8.9%	8
Peer 6, Bermuda, Composite	(7.6%)	10	16.9%	1	9.7%	7	15.3%	3	1.5%	10	7.2%	9
Peer 3, Canada, Property & Casualty	0.5%	7	6.2%	10	(6.7%)	10	18.3%	1	5.7%	9	4.8%	10

List shows the Top 10 of the Global Reinsurance Index (GloRe) with more than 50% reinsurance business
Data based on company data, own calculation

Source: Hannover Re company presentation as of 10 March 2016; reflects Hannover Re's reported numbers on a stand-alone basis

- Appendix -

Large losses[1] in FY2015

€m, net		Primary insurance	Reinsurance	Talanx Group
Storms, Europe	Jan./Apr./July 2015	37.6	27.9	65.4
Winterstorms, USA/Canada	Jan./Feb. 2015	5.4	12.8	18.2
Storm, Australia	April 2015	7.5	17.0	24.5
Storm/Flood, USA	May/June 2015	0.7	7.3	8.1
Storm „Erika“, Carribean	August 2015	0.0	12.7	12.7
Earthquake, Chile	September 2015	0.9	25.5	26.4
Tropical Storm, Japan	September 2015	0.0	27.3	27.3
Forest Fires, USA	September 2015	0.0	9.3	9.3
Typhoon, Taiwan/Korea/China	Oktober 2015	0.0	14.1	14.1
Floods, India/United Kingdom	Nov./Dec. 2015	23.4	47.1	70.5
Total Nat Cat		**75.6**	**201.0**	**276.6**
Aviation		5.9	51.3	57.2
Transport		0.0	83.8	83.8
Fire / Property		222.9	105.7	328.6
Explosion Tianjin Harbour, China		42.4	111.1	153.5
Other		2.5	20.0	22.5
Total other large losses		**273.7**	**371.9**	**645.6**
Total large losses		**349.3**	**572.9**	**922.2**
Impact on Combined Ratio (incurred)		**5.6%pts**	**7.1%pts**	**6.4%pts**
Total large losses FY2014		356.1	425.7	781.8
Impact on Combined Ratio (incurred) FY2014		6.0%pts	6.1%pts	6.1%pts

- Total large loss burden of €922m (2014:782m) – below the Group‘s large loss budget (€980m)
- Q4 net burden of €62m in Primary and €137m in Reinsurance – mix of NatCat and man-made losses
- Reinsurance remained ~€117m below its 2015 large loss budget, Primary was €59m above
- In Q4 2015, all divisions within their pro-rata large loss budget

Note: FY 2015 Primary Insurance large losses (net) are split as follows: Industrial Lines: €316.2m; Retail Germany: €20.4m; Retail International: €8.6m, Group Functions: €4.1m; excluding large losses of €41m from Industrial Liability line booked in FY2015

[1] Definition „large loss“: in excess of €10m gross in either Primary Insurance or Reinsurance

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Rating overview

Current financial strength ratings

	Standard & Poor's		A. M. Best	
	Grade	Outlook	Grade	Outlook
last update	03/09/15		10/06/15	
Talanx Group[1]	-	-	A	Stable
Talanx Primary Group[2]	A+	Stable	-	-
last update	25/06/15		25/09/15	
Hannover Re subgroup[3]	AA–	Stable	A+	Stable

STANDARD & POOR'S rating of Talanx Primary Group

Anchor rating a+

Business Risk Profile	Financial Risk Profile
Strong	Very Strong
IICRA [4])	Capital & Earnings
Intermediate Risk	Very Strong
Competitive Position	Risk Position
Strong	Intermediate
	Financial Flexibility
	Strong

Modifiers

Modifiers
Neutral
ERM
Strong
Management & Governance
Satisfactory
Liquidity
Exceptional

[1] The designation used by A. M. Best for the Group is "Talanx AG and its leading non-life direct insurance operation and its leading life insurance operation"
[2] This rating applies to the core members of Talanx Primary Group (the subgroup of primary insurers in Talanx Group)
[3] This rating applies to Hannover Re and its major core companies. The Hannover Re subgroup corresponds to the Talanx Reinsurance segment
[4] Insurance Industry and Country Risk Assessment

Financial strength underpinned by S&P and A.M. Best ratings

Talanx Investor Relations

Financial Calendar

11 May 2016
Annual General Meeting

13 May 2016
Interim Report 3M 2016

12 August 2016
Interim Report 6M 2016

15 November 2016
Interim Report 9M 2016

16/17 November 2016
Capital Markets Day

Contact

Talanx AG
Riethorst 2
30659 Hannover
Germany
ir@talanx.com

Carsten Werle, CFA
Phone: +49 511 3747 2231
carsten.werle@talanx.com

Marcus Sander, CFA
Phone: +49 511 3747 2368
marcus.sander@talanx.com

Wiebke Großheim (form. Erler)
Phone: +49 511 3747 2435
wiebke.grossheim@talanx.com

Alexander Grabenhorst
Phone: +49 511 3747 2291
alexander.grabenhorst@talanx.com

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