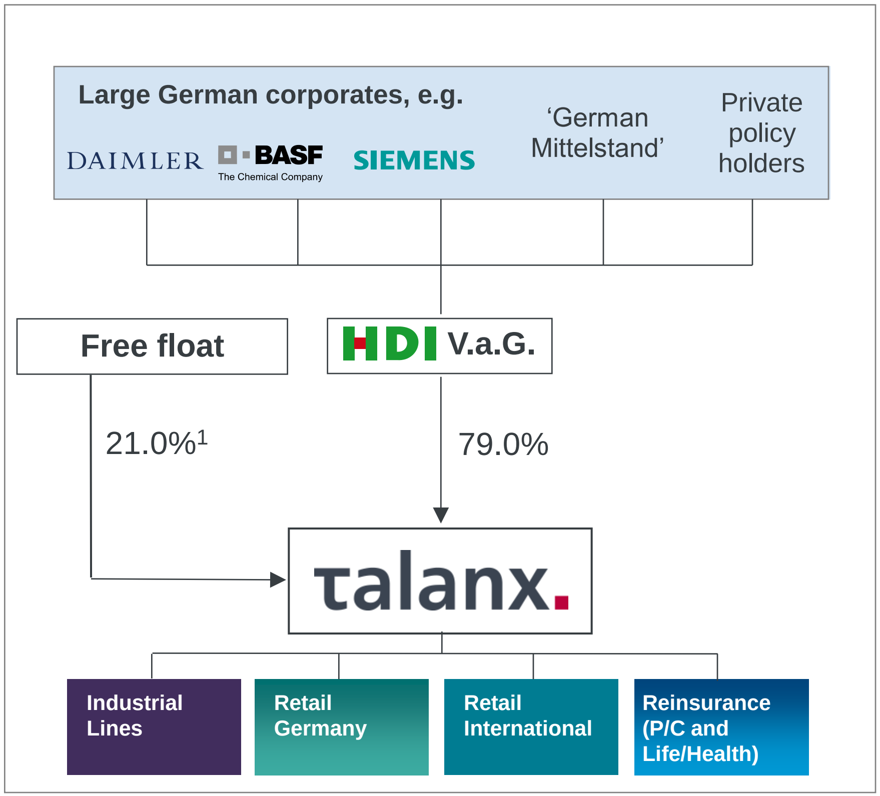
talanx.
Insurance. Investments.

Investor Presentation

February 2017

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

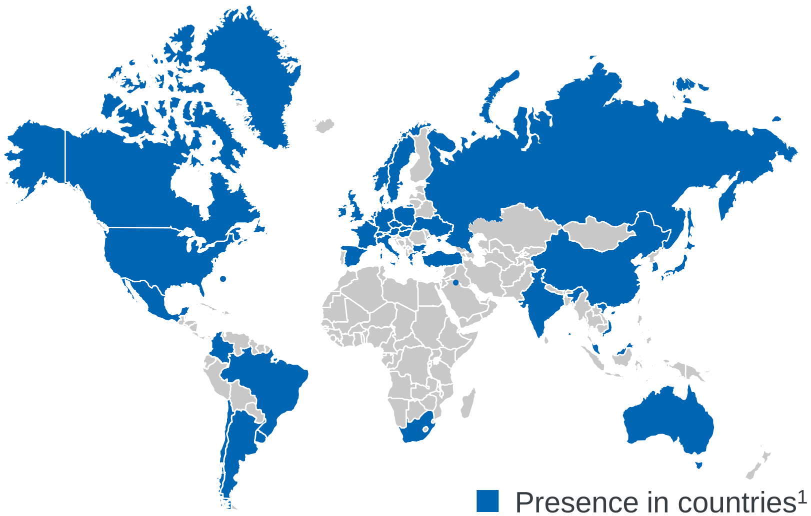
talanx.

Industrial Lines	Retail Germany (Life and P/C)	Retail International	Reinsurance (Non-Life 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

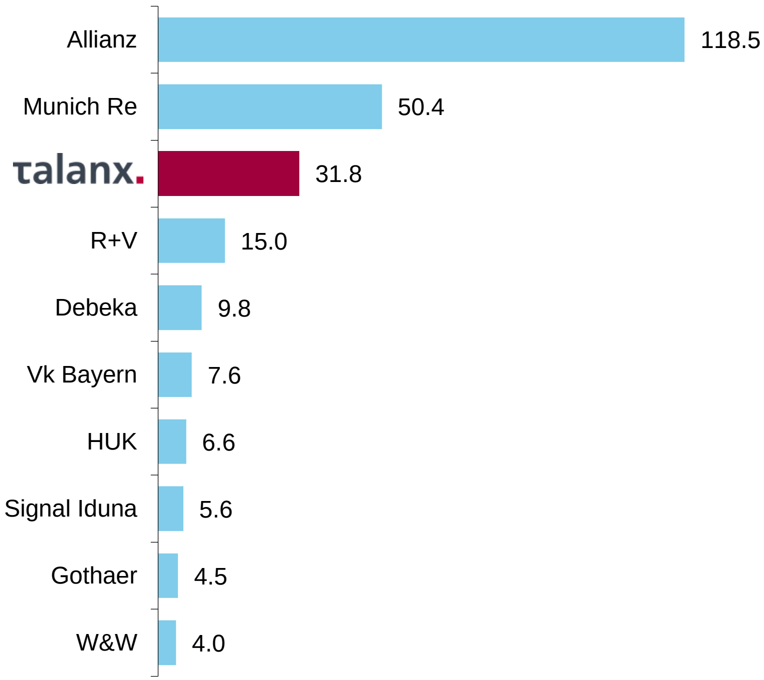
[1] By branches, agencies, risk carriers, representative offices
[2] Source: local regulatory authorities, Talanx AG

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

Among the leading European insurance groups

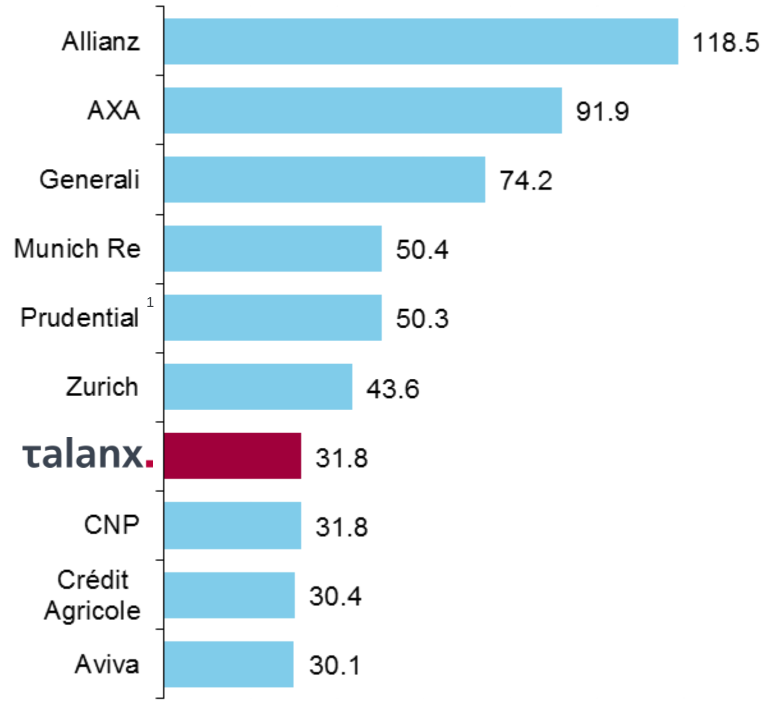
Top 10 German insurers

German insurers by global GWP (2015, €bn)



Top 10 European insurers

European insurers by global GWP (2015, €bn)

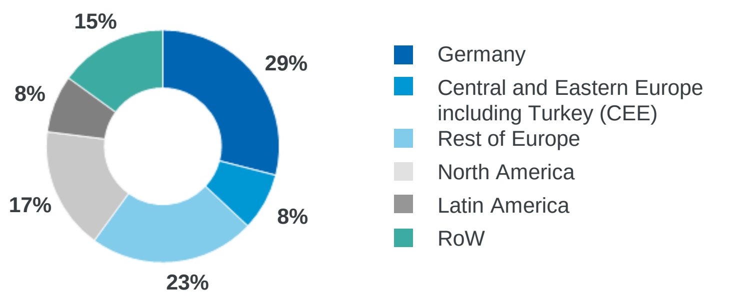


[1] Gross Earned Premiums

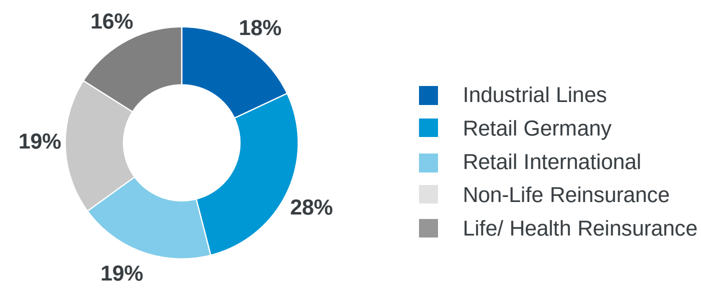
Third-largest German insurance group with leading position in Europe

Regional and segmental split of GWP and EBIT

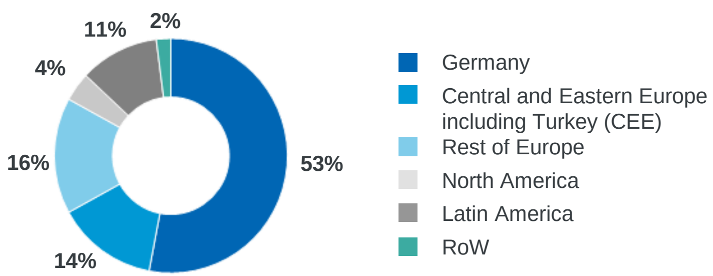
GWP by regions 2015 (consolidated Group level)



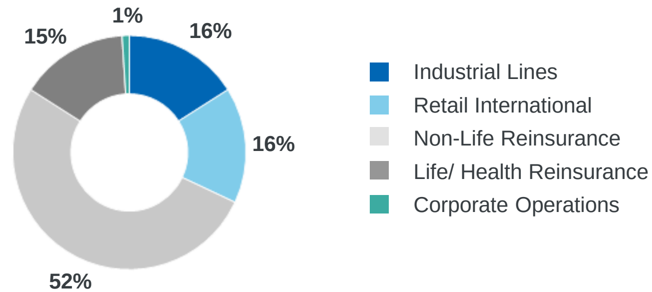
GWP by segments 2015[1]



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; Corporate Operations and Consolidation line have a negative effect 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]

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%

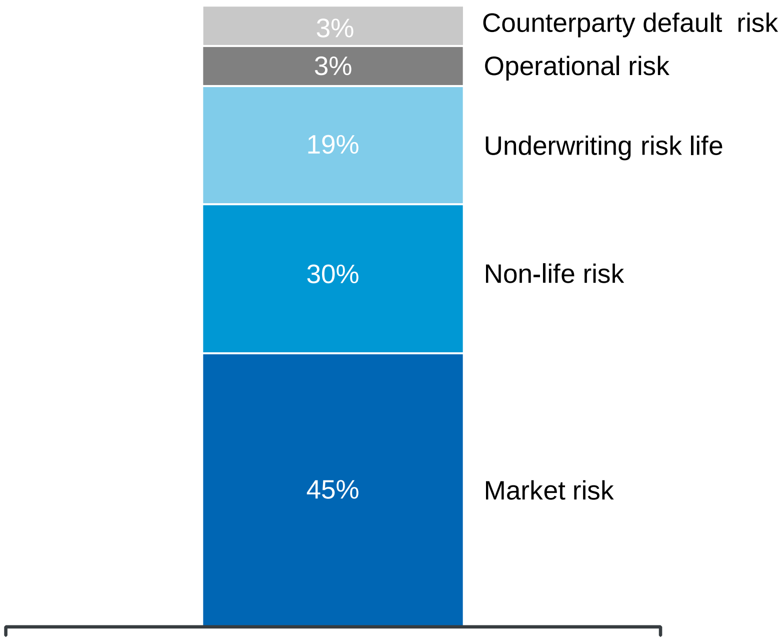
3

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

talanx.

1 Focus on insurance risk

Risk components of Talanx Group[1]



Comments

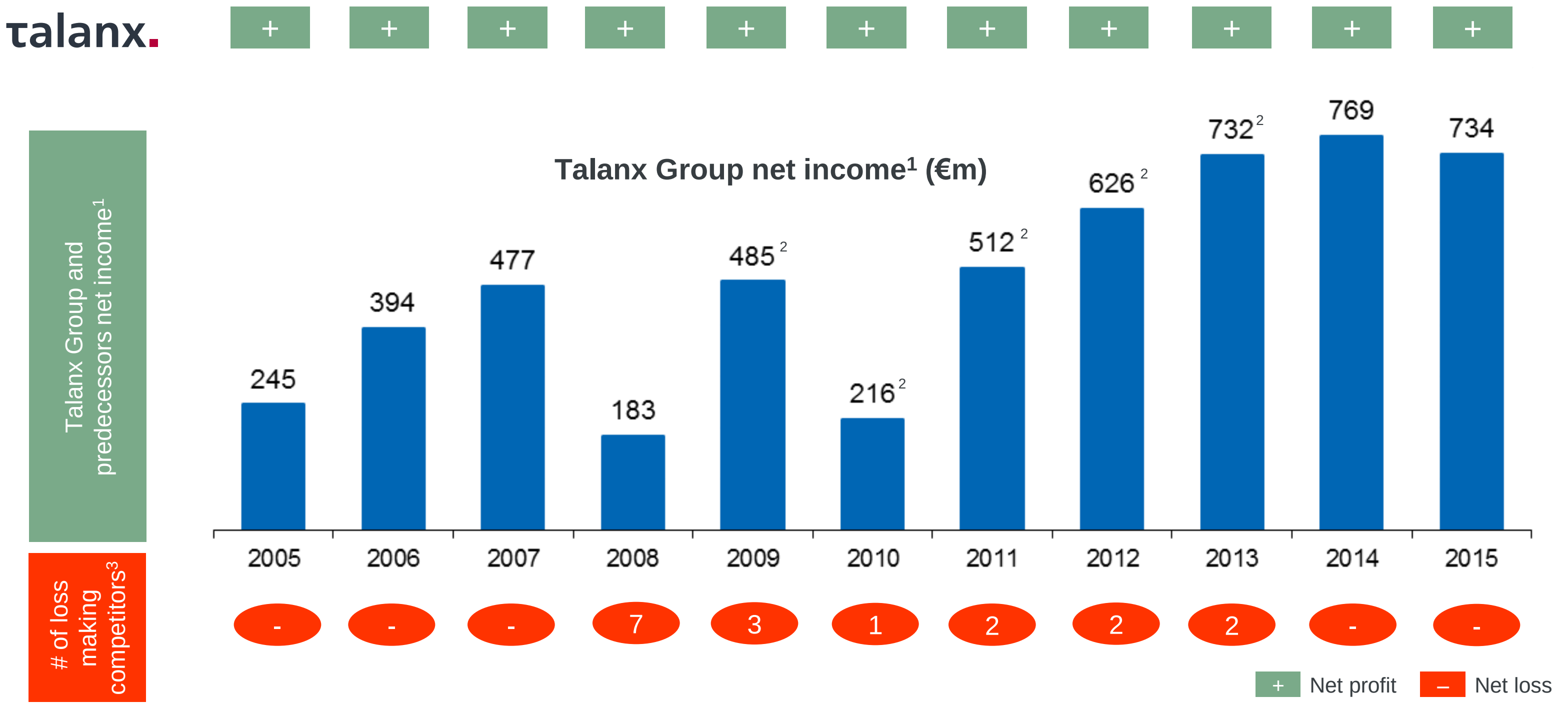
- Total market risk stands at 45% of solvency capital requirements, which is comfortably below the 50% limit
- Self-set limit of 50% reflects the dedication to primarily focus on insurance risk
- Non-Life is the dominating insurance risk category, comprising premium and reserve risk and NatCat
- Equities ~2% of investments under own management
- Nearly 80% of fixed-income portfolio invested in “A“ or higher-rated bonds – broadly stable over recent quarters

[1] Figures show risk categorisation, in terms of solvency capital requirements, of the Talanx Group in the economic view (based on Basic Own Funds) as of Q1 2016

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 results 6M 2016 – Capitalisation perspectives

Policyholder & Debt investor View (BOF CAR)	262% (Q1 2016: 245%)	Limit ≥ 200 %	▪ Basic Own Funds (including hybrids and surplus funds as well as non-controlling interests) ▪ Risk calculated with the full internal model
Solvency II Ratio	172% (Q1 2016: 166%)	Target corridor 150%-200%	▪ Eligible Own Funds, i.e Basic Own Funds (including hybrids and surplus funds as well as non-controlling interests) with haircut on Talanx's minority holdings ▪ Operational risk modeled with standard formula, („partial internal model") ▪ For the Solvency II perspective, the HDI V.a.G. as ultimate parent is the addressee of the regulatory framework

- with haircut ⬇
- operational risk modeled with standard formula ⬇
- HDI solo-funds ⬆

Note: In the entire presentation, calculations of Solvency II Capital Ratios are based on a 99.5% confidence level, including volatility adjustments yet without the effect of applicable transitionals.

Talanx continuously shows a comfortable capital position from all angles

Industrial Lines – Portfolio optimisation: Status "Balanced Book"

	Portfolios under review (GWP)	Results from renewals (gross)		Portfolio improvement	
Property[1]	€1,370m; 300	Negotiated Effects on premium Capacity	€303.7m - 8.4% - 21.7%	Premium to capacity ratio +25%[1,2]	Profitabilisation success above target ➔ further optimisation potential in 2016/17 (~€150m under review)
Marine[1]	€325m; 72	Negotiated Effects on premium Capacity	€71.8m -5.3% -26.9%	Premium to capacity ratio +30%[1]	Profitabilisation success above target ➔ further optimisation potential in 2016/17 (~€25m under review)
Motor[3]	€362m; 121	Negotiated Effects on premium Effect on losses[4]	€121m -10.1% ~ -14%	Expected improvement in loss ratio by FY2016 ≥ 3%pts[5]	Profitabilisation measures successfully completed ➔ back to business as usual

■ Premium negotiated

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

To lever the success of Balanced Book, Industrial Lines has started the broader initiative "Balanced Portfolio" with a particular focus on profitable mid-market clients across all lines of business to pro-actively improve the premium-exposure ratios and to better balance the portfolio

talanx.

Retail Germany - Key Messages from Capital Markets Day 2016

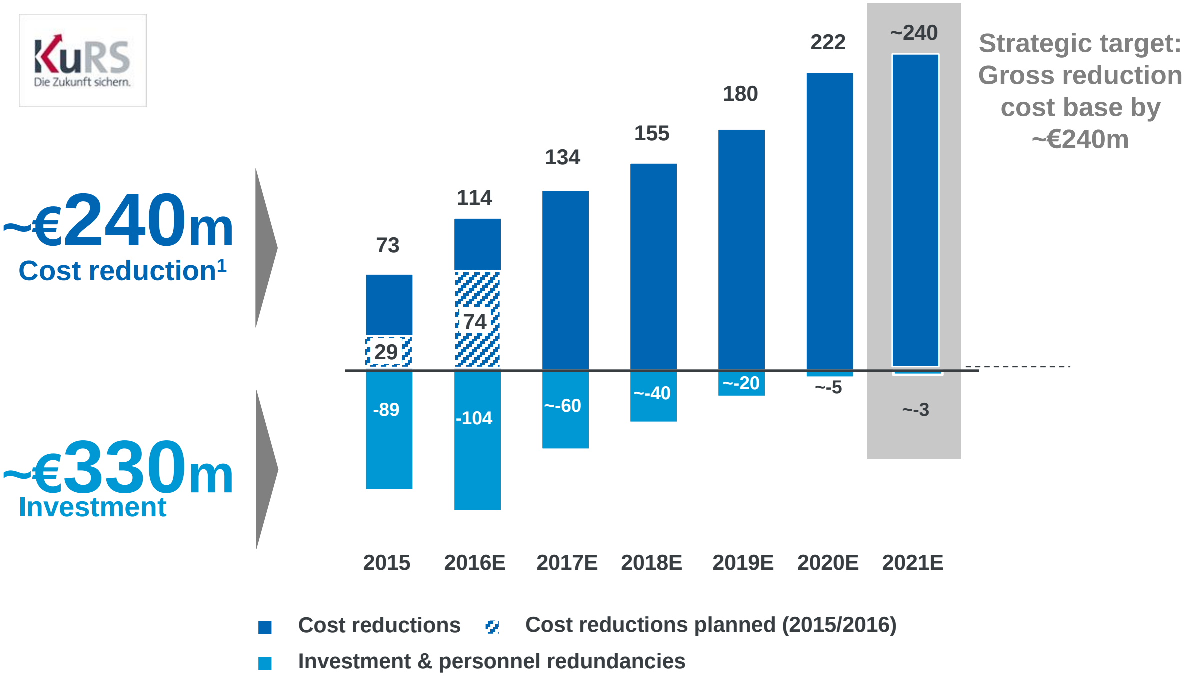
- Retail Germany stands for 21% of Talanx's GWP and 47% of its assets under own management. It adds Life exposure to the Talanx Group which is overall strongly geared to P/C business
- Retail Germany has a strong and highly committed management team with an excellent professional track-record in handling challenges and in turning businesses around
- Management initiatives and the central strategic programme KuRS focus on optimising the position in Bancassurance and on turning HDI around. Based on a customer-centric, sustainable and stable business model, we target for a material improvement of the risk-return profile for shareholders
- KuRS combines three substantial strategic pillars: a new Life strategy, a new P/C strategy and investments in Digitalisation/IT in combination with ongoing cost management
- KuRS is the by far largest initiative with ~€330m of investments and a targeted cost cutting of ~€240m. Targeted strategic investments comprise overall ~€420m. This includes ~€90m for Voyager4life targeting at a joint IT Life platform
- All interim goals have been met. In 2017, the KuRS programme savings are likely to first-time exceed costs on EBIT level
- Retail Germany targets for a sustainable EBIT contribution of at least €240m from 2021 onwards

talanx.

Retail Germany – KuRS programme: Investment and cost reduction targets

Estimated project costs and savings

in €m



¹ Cost reduction before Inflation

Comments

- Targeted strategic investments for KuRS are expected to be ~€330m
- The related cost saving target is ~€240m p.a.
- Both numbers refer to Life and P/C business in sum
- Target is to implement all initiatives in full by the end of 2020 with the full cost benefit to be reached in 2021

Strategic investment of ~€330m targeted at restructuring HDI (catching up with market) and optimising BA (strengthening excellent market positions)

talanx.

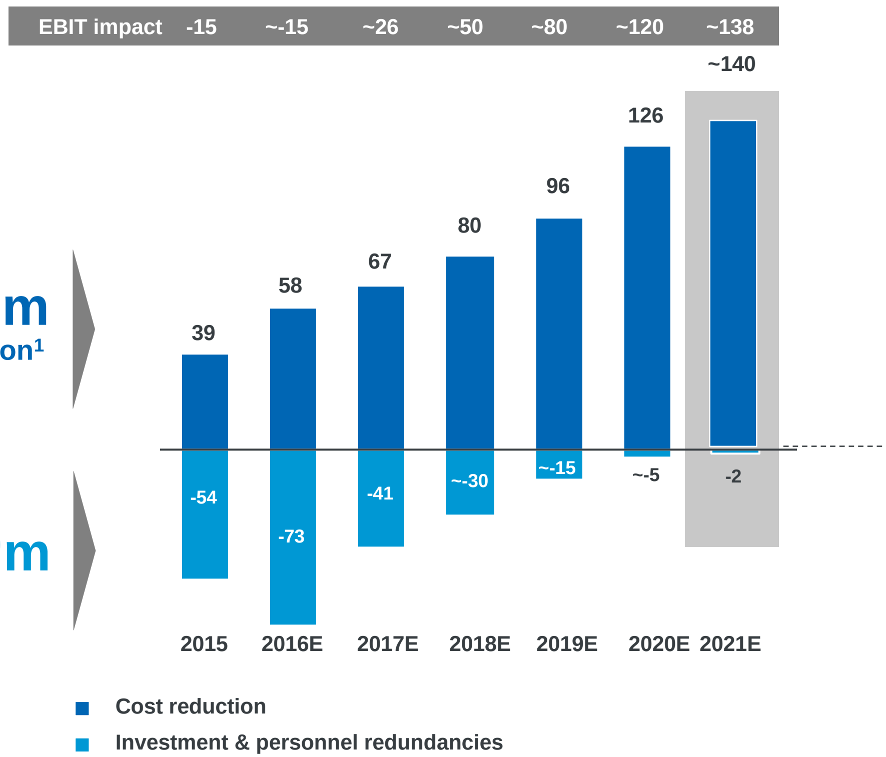
Retail Germany – KuRS programme: Investment and cost reduction targets P/C

Estimated project costs and savings in P/C

in €m

~€140m
Cost reduction[1]

~€230m
Investment



[1] Cost reduction before Inflation

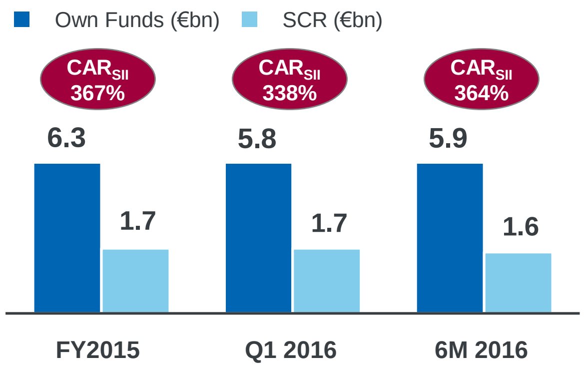
Comments

- Cumulative costs for KuRS in P/C are expected to account for ~€230m
- More than half of all project costs are expected to have been booked until end-2016
- The expected costs for personnel redundancies have been covered until mid-2016
- In 2017, the KuRS programme savings are likely to exceed costs on EBIT level for the first time
- From 2017 onwards, the improvement in EBIT is expected to visibly progress year by year

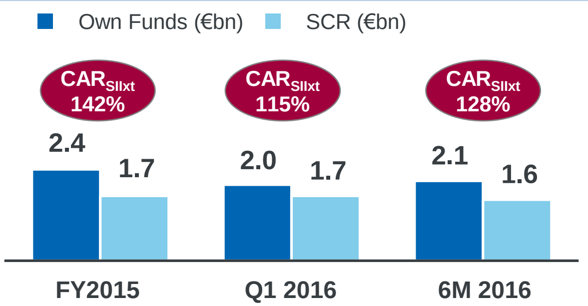
From 2017 onwards, the EBIT contribution of KuRS is expected to be positive

Retail Germany – Solvency II Ratios in Life

Solvency II Ratios in Life



Solvency II Ratios in Life – w/o transitional



Comments

MODEL APPROVED by German regulator BaFin (as per 1st October 2016)

- Following last year's approval of the internal model on Group level, BaFin has also approved Talanx's internal model for its German Life carriers on solo-entity level
- The decision promotes capital efficiency and allows for a more risk-adequate steering of business
- German Life carriers have successfully applied for transitional, like most German Life insurance companies
- Transitional measures have been taken by all life carriers to increase the level of eligible own funds or reduce the solvency capital requirements:
    - expanding the biometrics business (credit life, disability)
    - focus on capital-efficient products ("modern classic")
    - improving the cost and profitability pattern
    - de-risking the investment
    - active in-force management

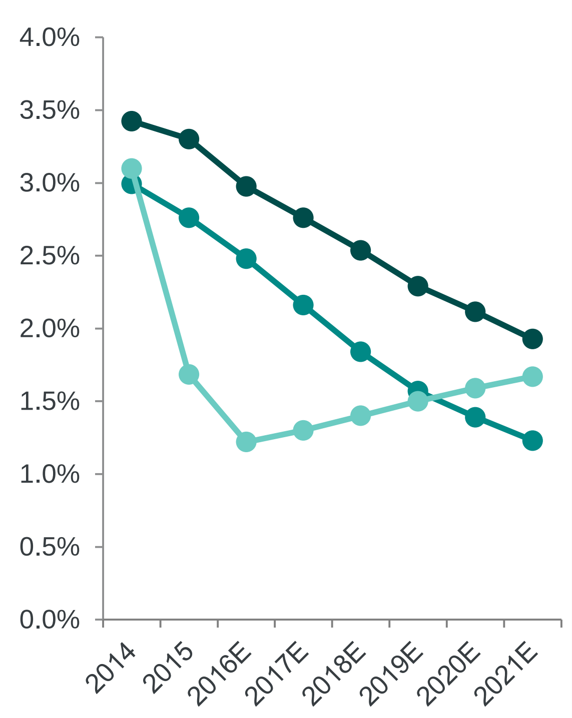
Note: Capital Adequacy Ratios are based on an SCR-weighted average for the German Life carriers

Internal model allows for capital-efficient and risk-adjusted steering on Group and on solo level

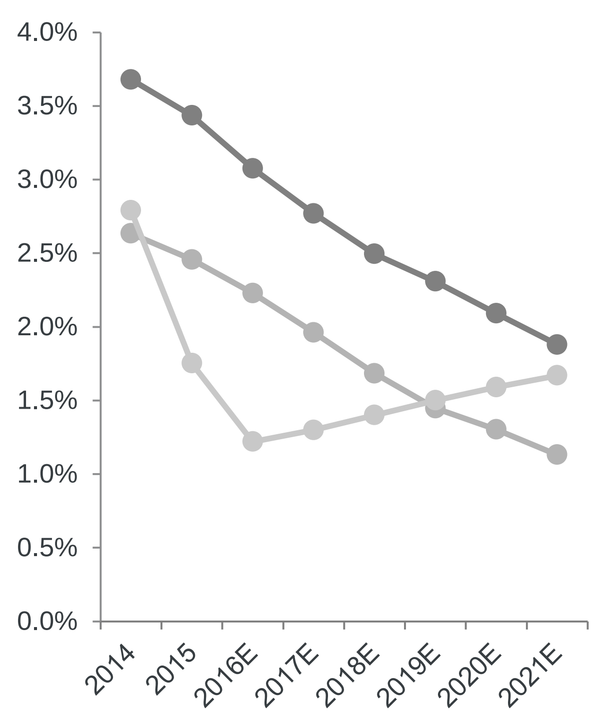
talanx.

Retail Germany – Asset Management Strategy: Comparison of average running yields versus average guarantee rates

HDI Life



Bancassurance



avg. running yields avg. guarantee rates (incl. ZZR) reinvestment yield (fixed income)

All numbers refer to German GAAP (HGB)

Comments

- The implicit market expectation for 20-year AAA euro government bonds plus 40 bps is taken as the assumed reinvestment yield for 2016 - 2021 in the two diagrams - e.g. 1.22% for 2016
- The fixed-income reinvestment yield in 9M 2016 was higher at 1.32% for Bancassurance and at 1.54% for HDI Life

Based on these assumptions, the average running yields will be sufficient to finance the guarantees for policyholders

talanx.

Retail Germany – Targets from Capital Markets Day 2016

Targets Retail Germany	
Gross premium growth (p.a.)	≥ 0%
Life	~ 0%
P/C	≥ 3%
Cost cutting initiatives to be implemented by end of 2020	~ €240m
Combined ratio 2021[1]	≤ 95%
Life new business: share of traditional life products by 2021 (new business premium)	≤ 25%
P/C: Growth in Property & Liability to SMEs and self-employed professionals by 2021[2]	≥ 25%
EBIT contribution (targeted sustainably from 2021)	≥ €240m

[1] Talanx definition: incl. net interest income on funds withheld and contract deposits
[2] Compared to base year 2014

Talanx targets for a combined ratio of ~96% until 2019 in Primary Insurance

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

talanx.

Retail International – Core Markets: 9M overview

Brazil

GWP growth (local currency)	-2.9%	
Combined ratio	102.4%	+3.4%pts
EBIT (€)	32.7m	-11.0%

Chile[1]

GWP growth (local currency)	+28.7%	
Combined ratio	90.6%	-2.1%pts
EBIT (€)	13.5m	+83.0%

Mexico

GWP growth (local currency)	+16.9%	
Combined ratio	95.7%	+3.4%pts
EBIT (€)	5.7m	+7.0%

Poland

GWP growth (local currency)	-9.9%	
o/w Life	-21.4%	
o/w Non-Life	-3.6%	
Combined ratio[2]	96.7%	+0.1%pts
EBIT (€)	73.7m	-16.1%
o/w Life	9.4m	-48.8%
o/w Non-Life	64.3m	-7.5%

Turkey

GWP growth (local currency)	+20.4%	
Combined ratio	102.5%	-0.2%pts
EBIT (€)	4.5m	+20.3%

[1] Magallanes integrated in February 2015

[2] Combined ratio for Warta only

Most of our core markets in Retail International with business growth

Retail International – Cycle management: Strategic initiatives in Core Markets

Brazil

- Behavioral economics to improve claims & service process
- HDI Digital & Recycle to optimise profitability
- Increase usage ratio of "Bate Prontos"

Combined Ratio in %:

2016E	2017E
~102.0	↘

Warta

- 360° sales management
- Pricing innovation „Warta Digital"
- Claims handling innovation „Warta Mobile"

Combined Ratio in %:

2016E	2017E
~96.0	→

Mexico

- Channel consolidation
- P&C diversification
- Pricing intelligence & Behavioral economics

Combined Ratio in %:

2016E	2017E
~95.0	→

Turkey

- Pro-active risk selection and ongoing price optimization in motor
- Cost management in claims handling
- Offer "best in class" IT processes

Combined Ratio in %:

2016E	2017E
~102.5	↘

Strategic initiatives as key drivers of Combined Ratio improvement – supported by transfer of best practices

Outlook for Talanx Group 2017[1]

Gross written premium	**≥1 %**
Return on investment	**≥3.0%**
Group net income	**~ €800m**
Return on equity	**>8.0%**
Dividend payout ratio	**35-45% target range**

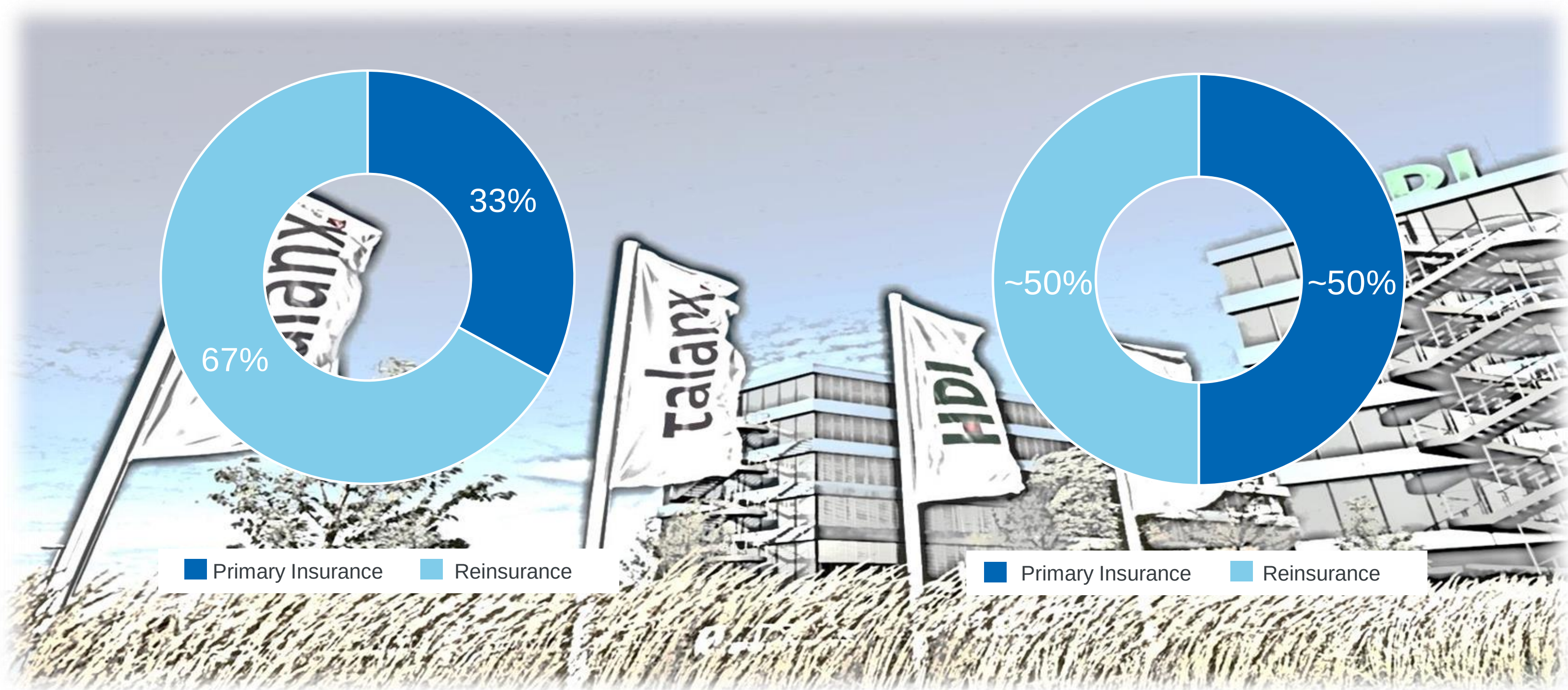
[1] The targets are based on a large loss budget of €290m (2016: €300m) in Primary Insurance, of which €260m (2016: €270m) in Industrial Lines. The large loss budget in Reinsurance stands at an unchanged €825m

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

talanx.

Management ambition – Earnings balance Primary Insurance vs. Reinsurance

EBIT 2015[1] | **EBIT ambition by 2021[1]**

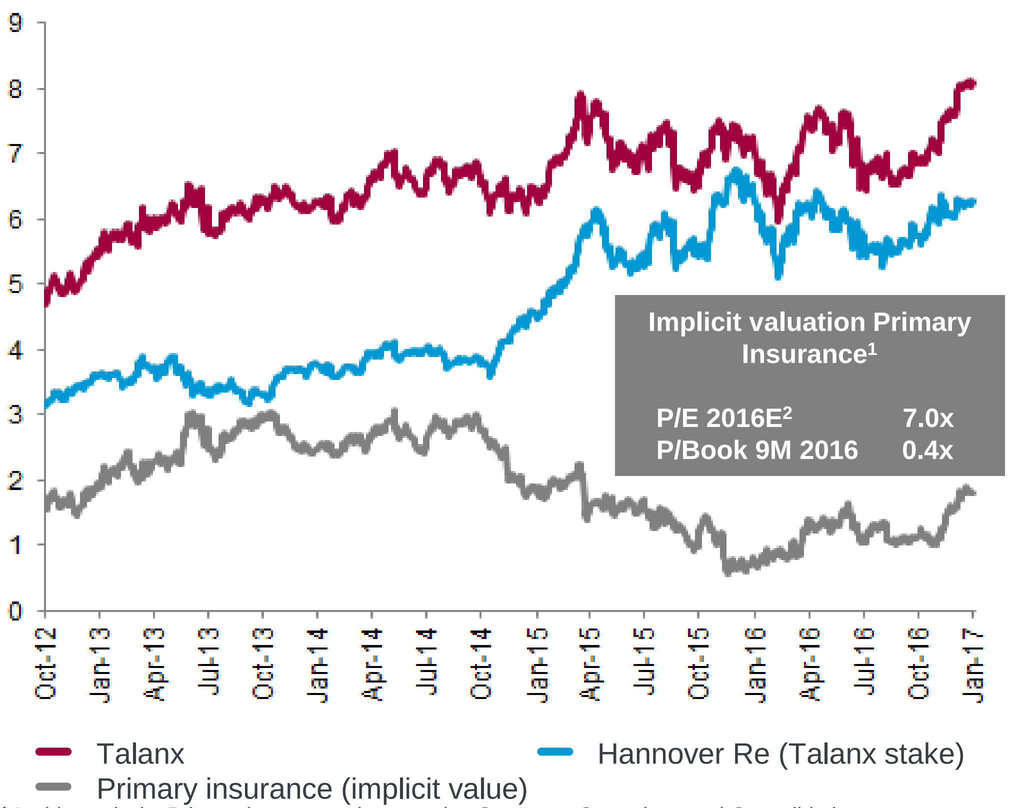


[1] Adjusted for the 50.2% stake in Hannover Re

Profitability improvement in Primary Insurance to lead to a balanced EBIT split

Management ambition – Reducing the valuation discount on Primary Insurance

Implicit valuation Primary Insurance in €bn



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

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

Key measures

1 Industrial Lines:
- optimisation of domestic portfolios
- pushing profitable foreign growth
- process excellence

2 Retail International:
- continuing focused profitable growth

3 Retail Germany:
- consequent de-risking of our Life business
- forceful profitabilisation of our P/C business
- specific focus on investments in Digitalisation/IT

4 Corporate Operations / Holding:
- further cost reductions
- strict capital discipline

A comprehensive set of measures to raise the profitability in Primary Insurance

talanx.

Summary - Investment highlights

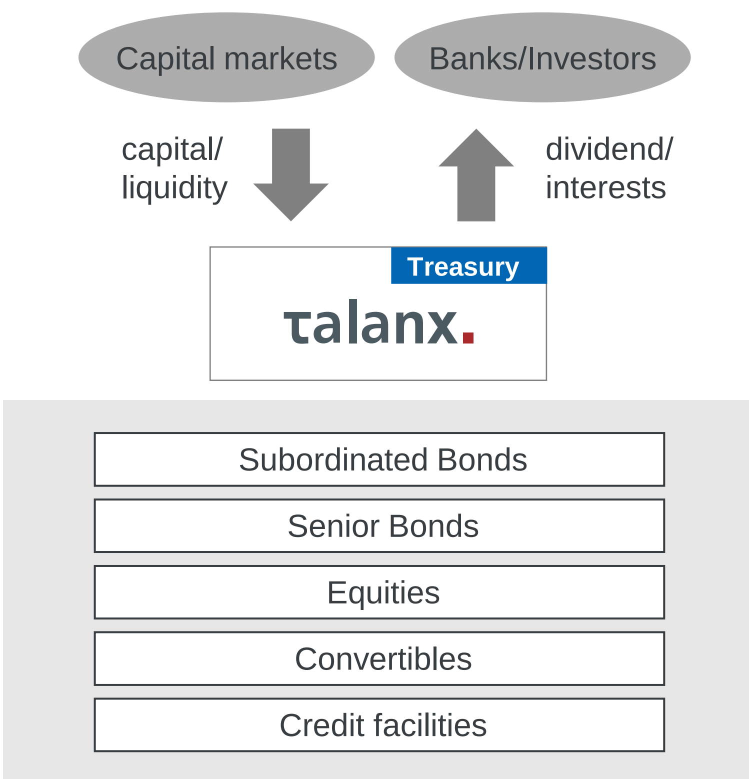
- Global insurance group with leading market positions and strong German roots
- Leading and successful B2B insurer
- Value creation through group-wide synergies
- New profitability measures implemented in Industrial Lines and Retail Germany
- Dedication to focus on insurance rather than market risks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

talanx.

- Debt Financing Overview -

Capital / liquidity management (excluding Hannover Re)

Organisational overview



Comments

- One central function for capital and liquidity management
- Secure a comfortable level of liquidity at Talanx AG
- Active capital and liquidity management
- Know-how centre for capital market instruments
- Central steering of all capital markets processes for the group
- Financing of group companies at arm's-length
- Cost reduction as a consequence of concentration of all bank relations in one function and due to benchmark sizes in capital and liquidity funding
- FX / Interest rate hedging
- Investment of Liquidity buffers

Realisation of efficiency and scale effects through central state-of-the-art treasury function

Market transactions since 2012

Latest capital market transactions (excluding Hannover Re)

Year	Month	Transaction	Purpose	€m
2012	April	Subordinated bond 8.367%, 30-NC-10	Strengthening of capitalisation of Talanx Group	500
2012	July	Liability management exercise	Reduction of external debt	(204)
2012	Oct	IPO	Financing of organic and inorganic growth and partially repay amounts outstanding under two credit facilities	517; 300 [1]
2013	Feb	Senior bond 3.125%, 10 years	Refinancing of internal debt	750
2014	July	Senior bond 2.50%, 12 years	Refinancing of internal debt	500

[1] conversion of the Tier 1 Meiji Yasuda bond

Capital market footprint resulting in reasonably efficient market prices as a basis for new issues

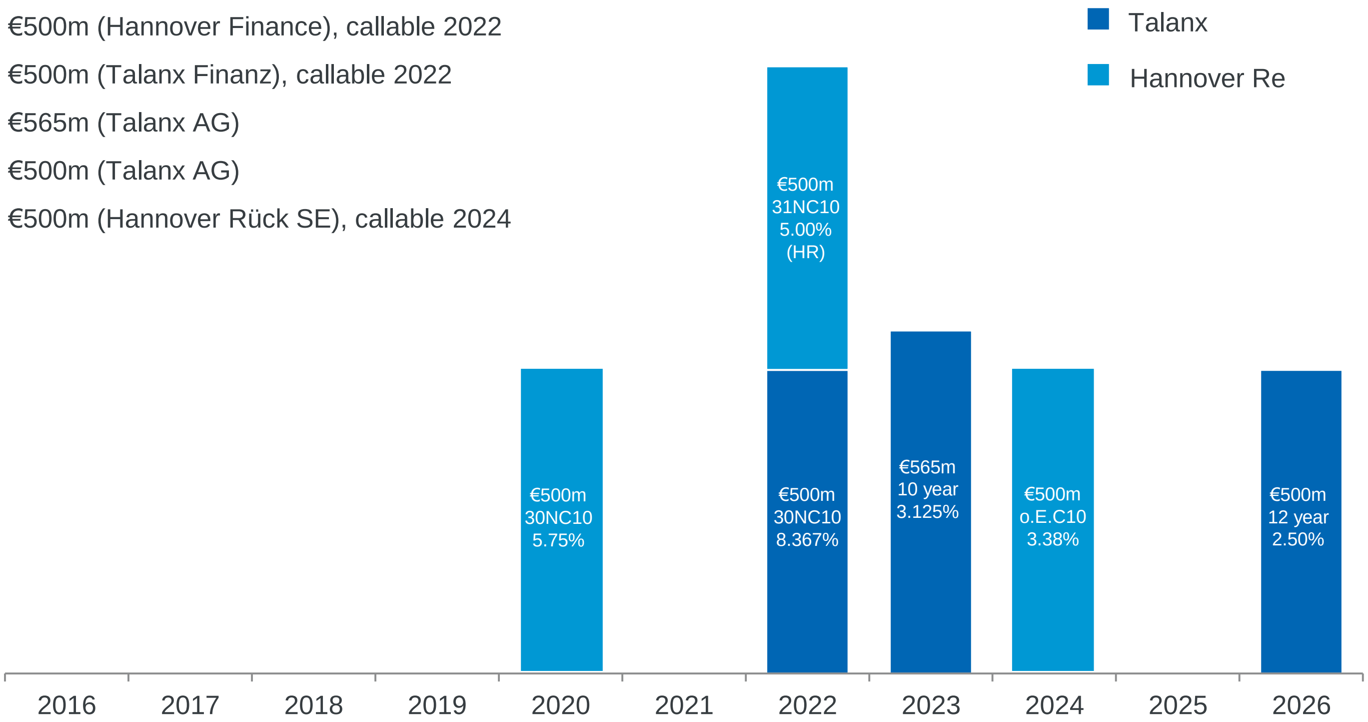
talanx.

Outstanding Talanx hybrid and senior bonds

Talanx Group maturity structure

Outstanding, publicly held volume of hybrid and senior bonds (as of 31/03/2015):

- 2010: €500m (Hannover Finance), callable 2020
- 2012: €500m (Hannover Finance), callable 2022
- 2012: €500m (Talanx Finanz), callable 2022
- 2013: €565m (Talanx AG)
- 2014: €500m (Talanx AG)
- 2014: €500m (Hannover Rück SE), callable 2024

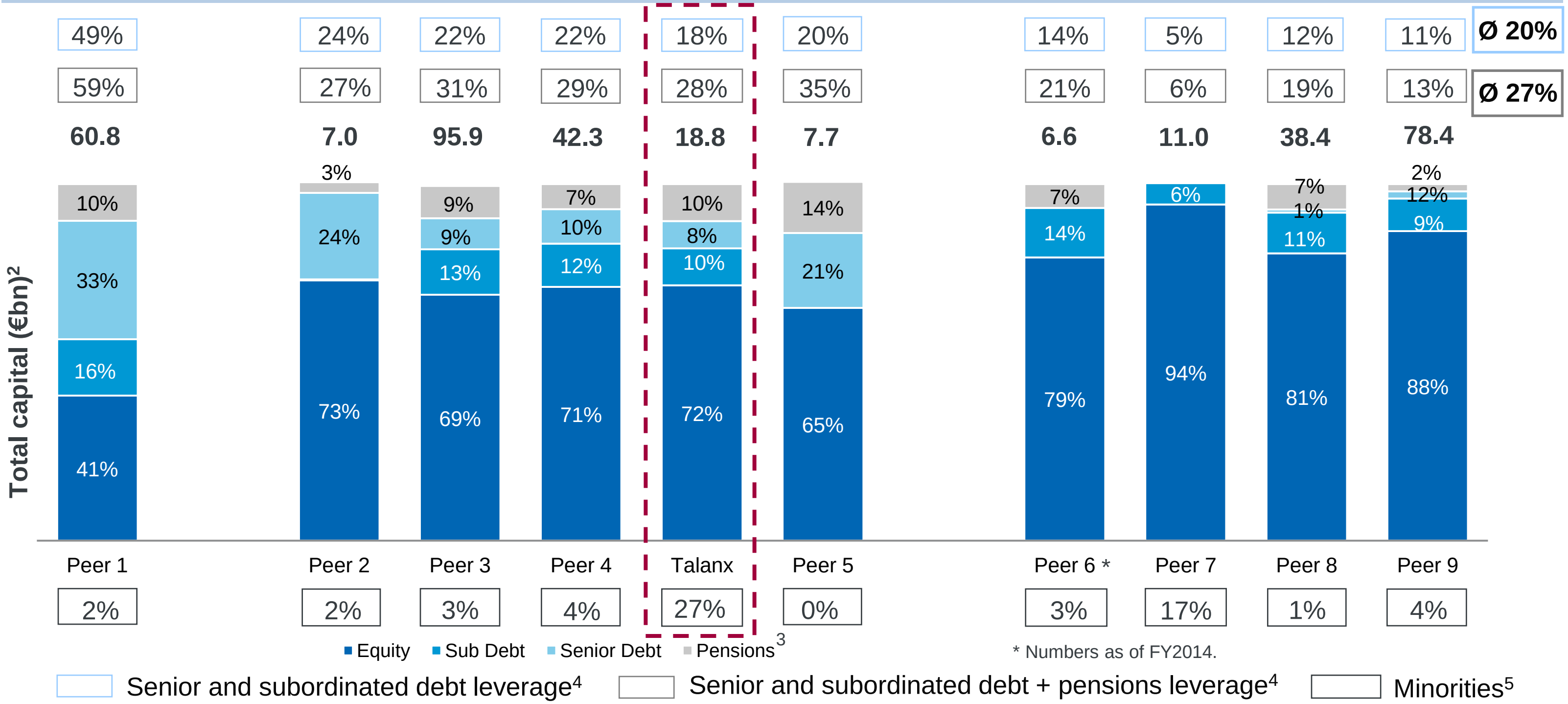


At the moment: No refinancing needs mid-term

talanx.

Leverage Level

Capital structure benchmarking[1]



[1] Peer group consist of Allianz, AXA, Baloise, Generali, Mapfre, Munich RE, RSA, VIG, Zurich. Numbers as of FY15
[2] Defined as the sum of total equity (incl. min.), subordinated debt and senior debt
[3] Funded status of defined benefit obligation
[4] Calculated in % of total capital
[5] In %-points of total capital

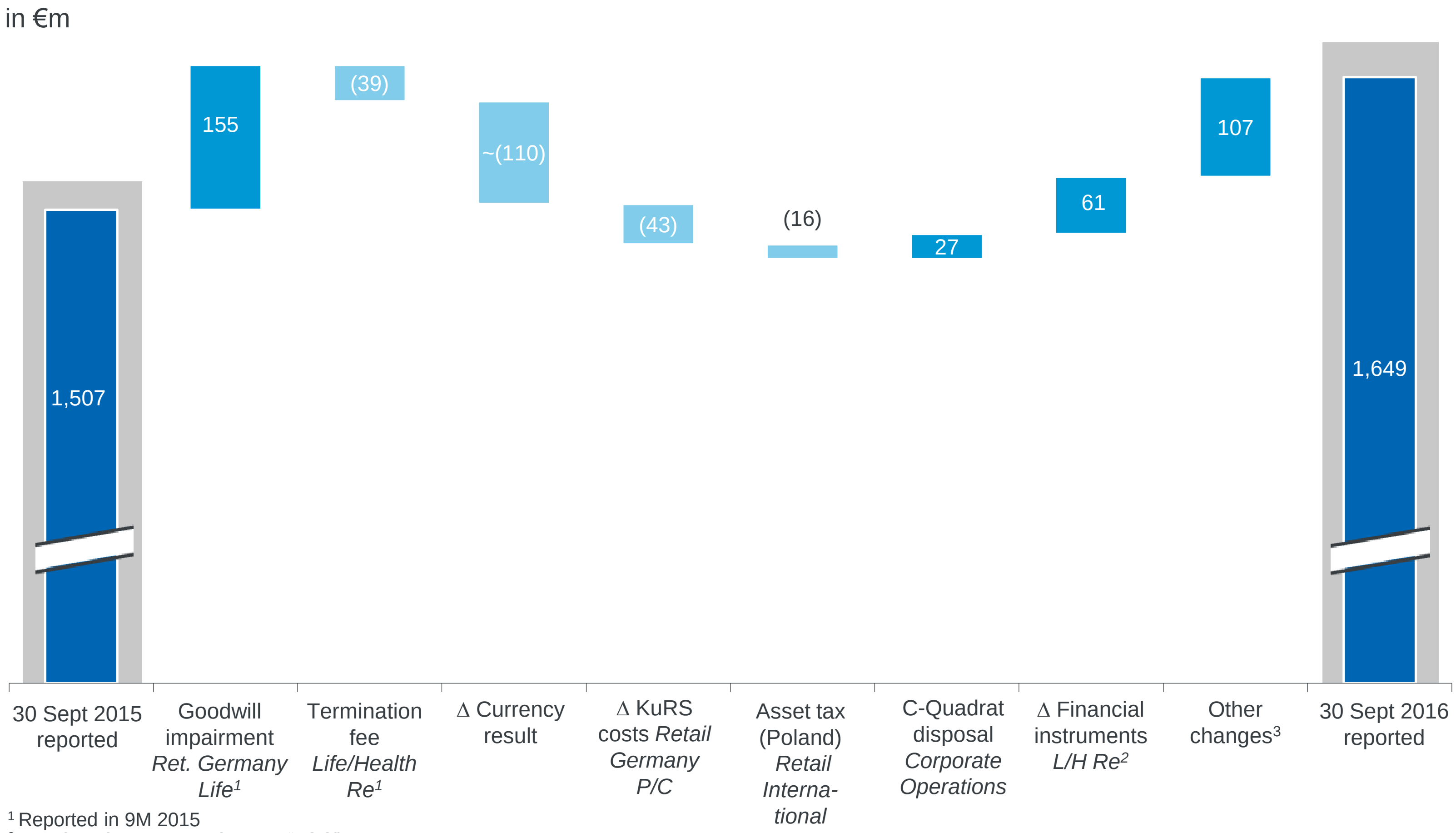
Reasonable, but no excessive use of debt leverage

- 9M 2016 -

I An overall robust set of 9M results

- 9M 2016 Group net income increased to €635m (9M 2015: €488m). When adjusting for last year's goodwill impairment of €155m in line with the 9M 2015 results
- The Group's combined ratio slightly improved from 96.9% (9M 2015) to 96.6%. In addition, Non-Life Reinsurance and Industrial Lines both stayed well within their respective pro-rata large loss budgets
- The shareholders' equity increased by €720m ytd to €9,002m or €35.61 per share. NAV up to €31.49 per share. 9M 2016 RoE stood at 9.8%, above target level
- Talanx slightly raises its 2016 Outlook for the Group net income to "at least €750m" (from "around €750m")
- From today's perspective, Talanx expects a comparable FY2017 result as for the current year. As a consequence, the Group net income target for FY2017 also stands at "at least €750m"

I 9M 2016 – Drivers of change in Group EBIT

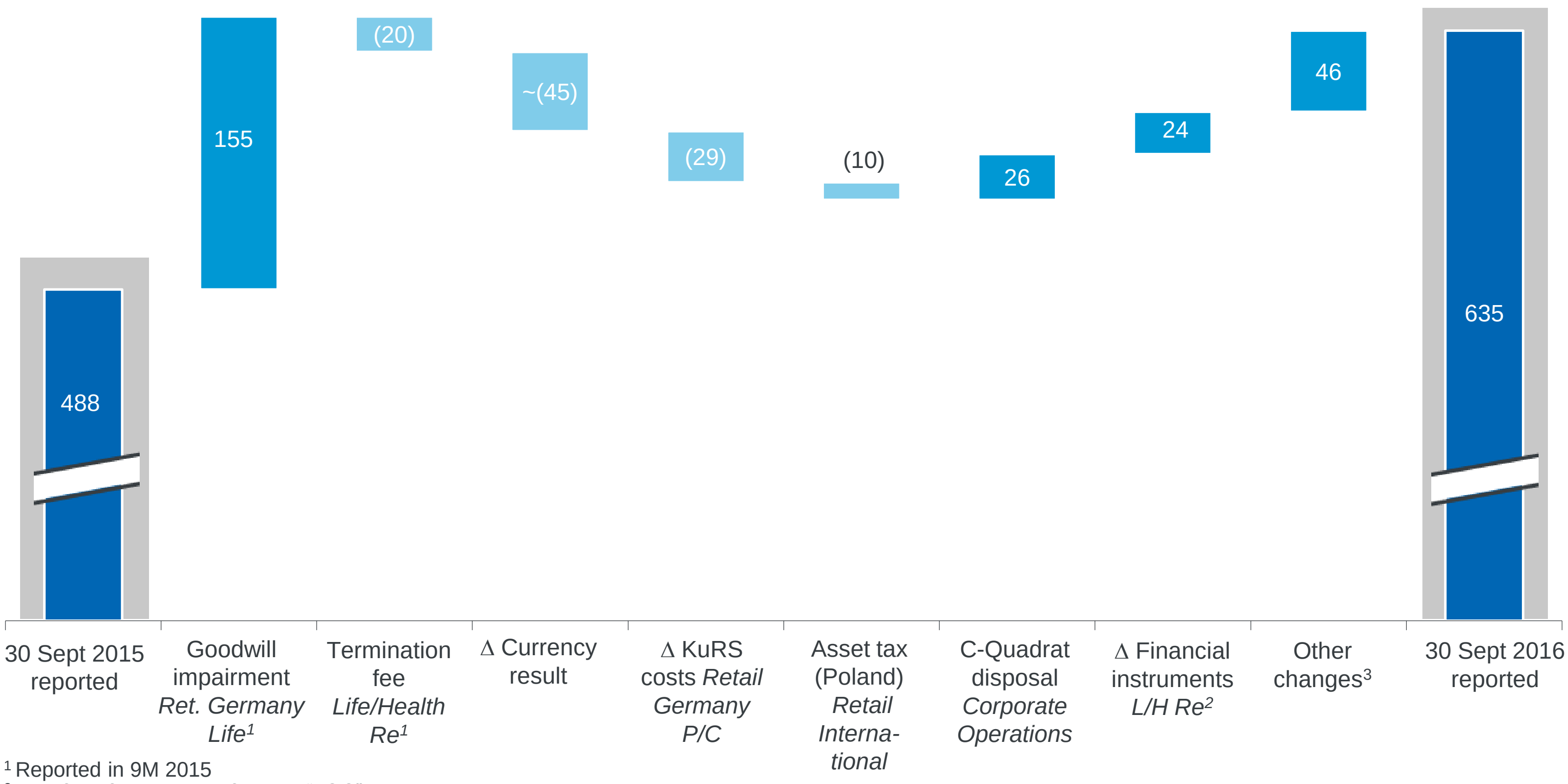


[1] Reported in 9M 2015
[2] Incl. fees from letters of credit ("LOC")
[3] From operating performance, incl. minor other effects

Currencies and programme costs for KuRS strongly affect EBIT comparison

9M 2016 – Drivers of change in Group net income

in €m



[1] Reported in 9M 2015
[2] Incl. fees from letters of credit ("LOC")
[3] From operating performance, incl. minor other effects

Currencies and programme costs for KuRS strongly affect net income comparison

I

9M 2016 results – Key financials

Summary of 9M 2016

€m, IFRS	9M 2016	9M 2015	Change
Gross written premium	23,749	24,355	(2%)
Net premium earned	19,134	19,246	(1%)
Net underwriting result	(1,168)	(1,288)	n/m
Net investment income	2,981	2,989	(0%)
Operating result (EBIT)	1,649	1,507	+9%
Net income after minorities	635	488	+30%
Key ratios	**9M 2016**	**9M 2015**	**Change**
Combined ratio non-life insurance and reinsurance	96.6%	96.9%	(0.3%)pts
Return on investment	3.5%	3.7%	(0.2%)pts
Balance sheet	**9M 2016**	**FY2015**	**Change**
Investments under own management	107,085	100,777	+6%
Goodwill	1,040	1,037	(0%)
Total assets	159,272	152,760	+4%
Technical provisions	111,409	106,832	+4%
Total shareholders' equity	14,532	13,431	+8%
Shareholders' equity	9,002	8,282	+9%

Comments

- GWP down by 2.5% y/y, dampened by currency effects. Adjusted for these, GWP remained nearly stable with Retail International achieving top-line growth
- Group combined ratio improved slightly to 96.6% (9M 2015: 96.9%) due to lower loss ratios in Industrial Lines (combined ratio: 98.0% vs. 9M 2015: 100.2%) and Non-Life Re (95.1% vs. 95.6%). Combined ratio in Retail Germany P/C (103.2% vs. 101.0%) was affected by KuRS costs (impact: 2.9%pts). Retail International's combined ratio (97.0% vs. 96.3%) was slightly up
- Group EBIT was significantly up. Even adjusted for the Q2 2015 goodwill writedown, EBIT in 9M 2016 nearly reached the previous year's level - despite significant burdens, e.g. costs for KuRS programme (~€43m vs. 9M 2015), lower – yet positive - currency results (~€110m), the Polish asset tax (~16m) and the accelerated amortisation of PVFP in Retail Germany Life (~€22m). The C-Quadrat disposal gain (~€27m) contributed positively in Q2 2016
- 9M 2016 ZZR allocation was €502m. ZZR stock is expected to go up to ~€2.2bn at year-end FY2016 (FY2015: €1.56bn)
- Shareholders' equity increased ytd to €9,002m, or €35.61 per share (FY2015: €32.76, Q2 2016: €34.23). NAV up to €31.49 per share (FY 2015: €28.66, Q2 2016: €30.14)

Improvement in Group combined ratio – net income of €635m despite various burdening factors

talanx.

Large losses[1] in 9M 2016

€m, net		Primary Insurance	Reinsurance	Talanx Group
Earthquake; Taiwan	February 2016	3.8	19.9	23.7
Hail storm; Texas	April 2016	8.4	-	8.4
Earthquake; Japan	April 2016	3.7	24.5	28.2
Earthquake; Ecuador	April 2016	1.2	55.5	56.7
Wild fire; Canada	April/May 2016	-	125.3	125.3
Storm „Elvira"; Germany, France, Austria	May 2016	15.3	12.7	28.0
Storms; Germany	June 2016	14.2	7.7	21.9
Flood; China	June/July 2016	0.5	13.0	13.5
Total NatCat		**47.1**	**258.6**	**305.7**
Transport		0.0	50.2	50.2
Fire/Property		92.6	62.1	154.7
Credit		-	22.3	22.3
Total other large losses		**92.6**	**134.6**	**227.2**
Total large losses		**139.8**	**393.2**	**533.0**
9M pro-rata large loss budget		225.0	620.8	845.8
Impact on Combined Ratio (incurred)		**3.0%pts**	**6.6%pts**	**5.0%pts**
Total large losses 9M 2015		287.4	436.4	723.9
Impact on Combined Ratio (incurred) 9M 2015		6.2%pts	7.3%pts	6.8%pts

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

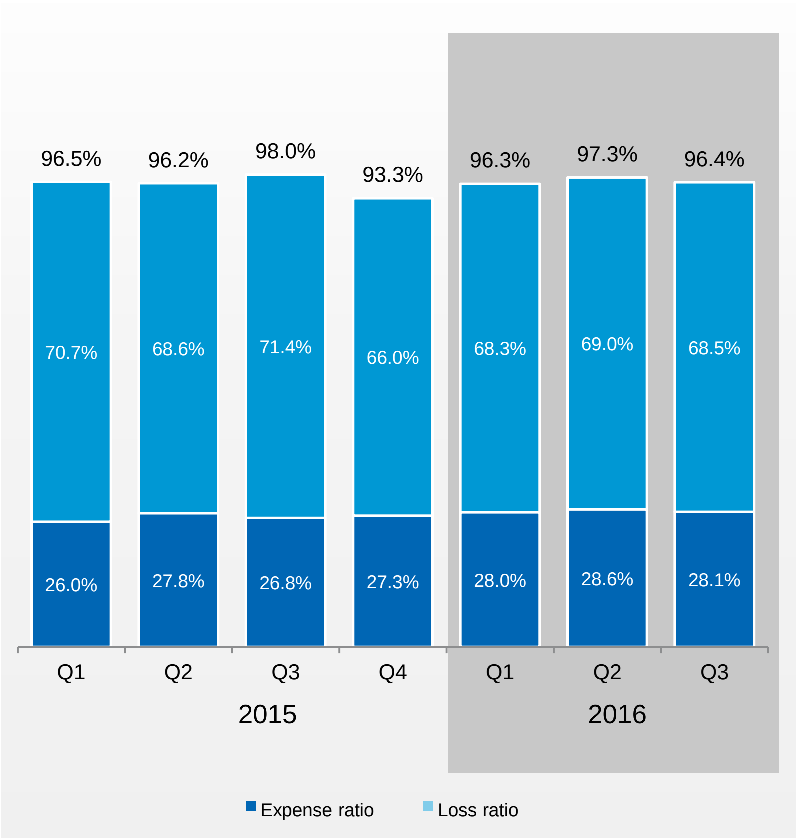
Note: 9M 2016 Primary Insurance large losses (net) are split as follows: Industrial Lines: €123m; Retail Germany: €17m; Retail International: €0m, Group Functions: €0m; from FY2016 onwards, the table includes large losses from Industrial Liability line, booked in the respective FY. The latter also explains the stated increase in the large loss budget for Primary Insurance by €10m for FY2016.

- Group 9M 2016 large loss burden of €533m, significantly below 9M 2015 level (9M 2015: €724m) and also well below pro-rata large loss budget (€846m)
- 9M 2016 large loss burden of €140m in Primary and €393m in Reinsurance
- Main impact resulting from Canada wild fires (€125m), earthquakes (Japan, Ecuador, Taiwan) and storms in Central Europe, reported already with 6M 2016 results
- Q3 2016 turned out a loss-light quarter in Reinsurance and in Primary Insurance

talanx.

I Combined ratios

Development of net combined ratio[1]



Combined ratio[1] by segment/selected carrier

	9M 2016	9M 2015	Q3 2016	Q3 2015
Industrial Lines	**98.0%**	**100.2%**	**98.4%**	**103.0%**
Retail Germany P/C	**103.2%**	**101.0%**	**100.3%**	**100.8%**
Retail International	**97.0%**	**96.3%**	**98.0%**	**98.5%**
HDI Seguros S.A., Brazil	102.4%	98.9%	103.1%	100.5%
HDI Seguros S.A., Mexico	95.7%	92.2%	99.0%	95.0%
HDI Seguros S.A., Chile[2]	90.6%	92.7%	90.2%	102.8%
TUiR Warta S.A., Poland	96.7%	96.6%	98.3%	98.0%
TU Europa S.A., Poland	82.7%	84.7%	83.6%	85.3%
HDI Sigorta A.Ş., Turkey	102.5%	102.7%	102.5%	102.6%
HDI Assicurazioni S.p.A., Italy	93.6%	95.7%	92.6%	101.6%
Non-Life Reinsurance	**95.1%**	**95.6%**	**94.5%**	**95.8%**

[1] Incl. net interest income on funds withheld and contract deposits
[2] Incl. Magallanes Generales; merged with HDI Seguros S.A. on 1 April 2016

Apart from Retail Germany - burdened by KuRS implementation costs -, combined ratios in all non-life segments well below the 100% level

I Q3 2016 results – Key financials

Summary of Q3 2016

€m, IFRS	Q3 2016	Q3 2015	Change
Gross written premium	7,322	7,528	(3%)
Net premium earned	6,324	6,495	(3%)
Net underwriting result	(384)	(437)	n/m
Net investment income	1,019	952	+7%
Operating result (EBIT)	585	492	+19%
Net income after minorities	234	177	+32%
Key ratios	**Q3 2016**	**Q3 2015**	**Change**
Combined ratio non-life insurance and reinsurance	96.4%	98.0%	(1.6%)pts
Return on investment	3.6%	3.5%	0.1%pts
Balance sheet	**9M 2016**	**FY 2015**	**Change**
Investments under own management	107,085	100,777	+6%
Goodwill	1,040	1,037	(0%)
Total assets	159,272	152,760	+4%
Technical provisions	111,409	106,832	+4%
Total shareholders' equity	14,532	13,431	+8%
Shareholders' equity	9,002	8,282	+9%

Comments

- Q3 2016 GWP down by 2.7% y/y, partly due to currency effects (curr.-adj.: -1.1%). Lower GWP in Industrial Lines (impacted by effects from re-underwriting measures) and in Life/Health Re could not be fully compensated by significant premium growth in Retail International (+10.4%; curr.adj.: 11.7%) and Non-Life Reinsurance (+6.2%; +7.5%)
- Combined ratio on Group level improved significantly to 96.4% (Q3 2015: 98.0%) driven by lower loss ratios in all segments, only partially compensated by an overall slightly higher cost ratio
- Q3 2016 EBIT up by ~€90m y/y despite a ~€40m lower currency result in the „other result“. Driver of profitability was net underwriting result. The latter was due to the pleasing combined ratio, which was even burdened by an above-average RfB contribution resulting from higher extraordinary capital gains in Retail Germany Life
- Net income improved by ~€55m, somewhat helped by a lower tax rate

Significant increase in Q3 2016 EBIT mainly due to improvement in the underwriting result

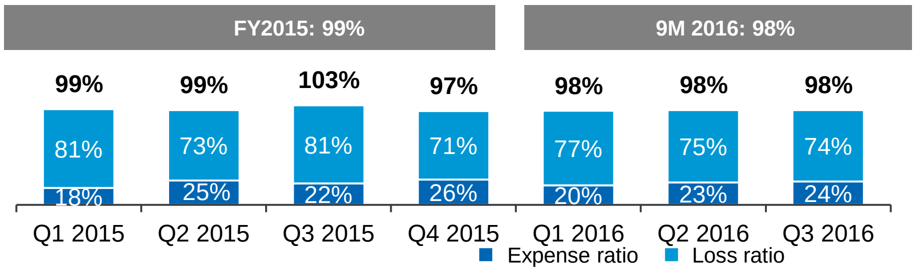
talanx.

Segments – Industrial Lines

P&L for Industrial Lines

€m, IFRS	9M 2016	9M 2015	Δ	Q3 2016	Q3 2015	Δ
Gross written premium	**3,390**	**3,434**	**(1%)**	**684**	**809**	**(15%)**
Net premium earned	1,630	1,581	+3%	547	560	(2%)
Net underwriting result	33	(4)	n/m	8	(17)	n/m
Net investment income	165	158	+4%	56	45	+24%
Operating result (EBIT)	**204**	**152**	**+34%**	**61**	**10**	**+610%**
Group net income	132	103	+28%	41	6	+683%
Return on investment (annualised)	2.8%	2.8%	0.0%pts	2.9%	2.3%	+0.6%pts

Combined ratio[1]



Comments

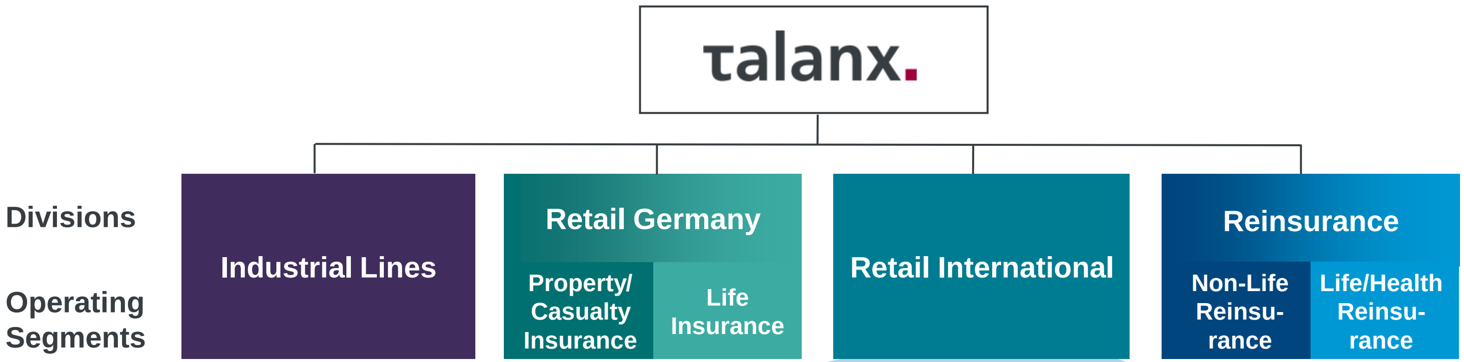
- 9M GWP 2016 slightly lower by 1.3% y/y, slightly dampened by currency effects (curr.-adj.:-0.5%). Positive effects from international markets (e.g. US and new business unit in Brazil), but overcompensated by dampening effects from re-underwriting measures (i.e. "Balanced Book") and the withdrawal from Aviation business
- 9M 2016 retention rate slightly up to 52.9% despite higher cessions in Property
- Combined ratio improved (9M 2016: 98.0% vs. 9M 2015: 100.2%) due to a 3.2%pts lower loss ratio. Cost ratio up by 0.9%pts due to higher commission levels in growing global business. Large losses were well within the pro-rata large loss budget. Conservative reserving policy in 9M 2016 translates into a significantly lower run-off result
- 9M 2016 net investment result up, reflecting the positive impact from investment in alternative assets, while the extraordinary investment result was slighty lower y/y

[1] Incl. net interest income on funds withheld and contract deposits

Improved net underwriting result leads to higher profitability

II New Segmentation in Retail Germany

- The responsibilities within the Retail Germany Division have been separated between “Life“ and “Property/Casualty“. As a consequence, applying IFRS 8, both segments will report separate P&Ls (incl. EBIT) starting with the 6M 2016 reporting[1]
- In addition, Talanx will continue to show the former segment “Retail Germany“ as the aggregated division
- Talanx insurance activities are now subdivided into six, rather than the previous five reportable segments



- Retail International continues to act as one single segment including life and non-life activities.
  To further raise transparency, Talanx has started to show regional P&Ls (incl. EBIT) in the status report

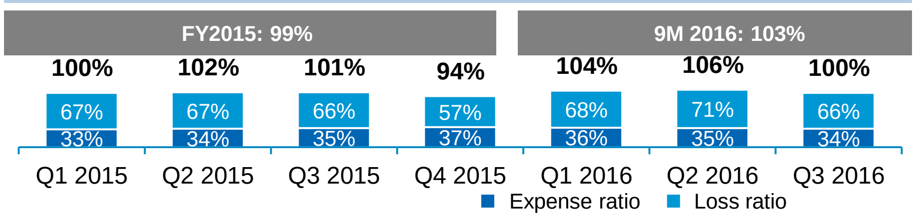
[1] The (very limited) effects of the interaction between the two new segments in the “Retail Germany“ division are now eliminated in the Group‘s consolidation line. Under the former segmentation, interaction between “Life“ and “Non-Life“ business has been eliminated within “Retail Germany“. We provide historical numbers for the new segments and the division “Retail Germany“ in the “Appendix“ section of this presentation.

Segments – Retail Germany P/C

P&L for Retail Germany P/C

€m, IFRS	9M 2016	9M 2015	Δ	Q3 2016	Q3 2015	Δ
Gross written premium	**1,261**	**1,279**	**(1%)**	**281**	**291**	**(3%)**
Net premium earned	1,049	1,068	(2%)	358	376	(5%)
Net underwriting result	(33)	(11)	n/m	(1)	(4)	n/m
Net investment income	69	75	(8%)	21	27	(21%)
Operating result (EBIT)	**(9)**	**60**	**n/m**	**7**	**30**	**(75%)**
EBIT margin	(0.9%)	5.6%	(6.5%)	2.1%	8.1%	(6.0%)
Investments under own Management	3,934	3,876	1%	3,934	3,876	1%
Return on investment (annualised)	2.4%	2.6%	(0.2%)pts	2.2%	2.6%	(0.4%)pts

Combined ratio[1]



Comments

- 9M 2016 GWP 1.5% lower y/y (down -3.4% y/y in Q3 2016). Gross premiums still negatively impacted by profitabilisation measures in Motor. Positive effects from growth in SMEs and self-employed professionals, in unemployment insurance and from the promising start of the digital distribution ("direct business") in Motor
- 9M combined ratio was slighty impacted by storms (in 6M 2016) and €30m costs for KuRS programme (Q3 impact was €12m, 3.5%pts impact). Adjusting for KuRS, the combined ratio reached 100.4% (9M 2015: 100.6%). In Q3 2016, significant improvement in KuRS adjusted combined ratio (96.9% vs. 99.7%) due to 3.3%pts lower adj. cost ratio
- Net investment income down, mainly reflecting low interest rate levels. RoI was just slightly down to 2.4% (9M 2015: 2.6%)
- 9M 2016 EBIT burdened by €22m final personnel redundancy costs for KuRS, booked in the "other result" in 6M 2016

[1] Incl. net interest income on funds withheld and contract deposits

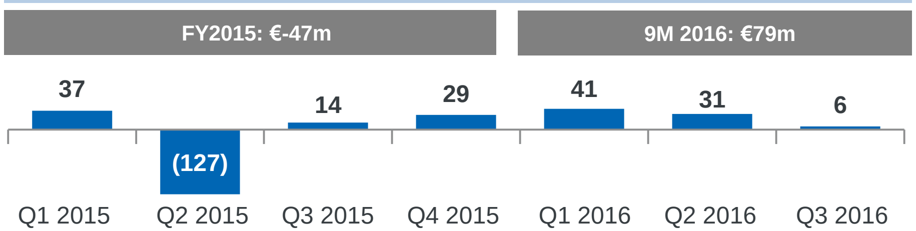
KuRS investments and slightly higher loss ratio due to NatCat events explain EBIT decline

II Segments – Retail Germany Life

P&L for Retail Germany Life

€m, IFRS	9M 2016	9M 2015	Δ	Q3 2016	Q3 2015	Δ
Gross written premium	**3,515**	**3,864**	**(9%)**	**1,149**	**1,185**	**(3%)**
Net premium earned	2,558	2,994	(15%)	794	897	(11%)
Net underwriting result	(1,205)	(1,190)	n/m	(425)	(357)	n/m
Net investment income	1,333	1,276	4%	443	376	18%
Operating result (EBIT)	**79**	**(76)**	**n/m**	**6**	**14**	**(59%)**
EBIT margin	3.1%	(2.6%)	5.7%	0.7%	1.5%	(0.8%)
Investments under own Management	46,775	43,617	7%	46,775	43,617	7%
Return on investment (annualised)	4.0%	4.0%	(0.0%)pts	3.8%	3.5%	(0.3%)pts

EBIT (€m)



Comments

- Targeted phase-out of traditional and single-premium business leads to lower GWP, also impacted by a base effect on the back of spill-over effects from the strong 2014 into 2015. Credit life insurance business with significant growth impetus
- €23m cost impact from strategic programme KuRS (incl. €15m restructuring costs in "other result") – completely compensated in the EBIT by a lower RfB contribution due to policyholder participation
- Investment result up, mainly due to higher extraordinary gains to finance ZZR
- 9M 2016 ZZR allocation of €502m (9M 2015: €362m; 6M 2016: €295m). Total ZZR stock reached €2.06bn, expected to rise to ~€2.2bn until year-end
- 9M 2016 EBIT impacted by an accelerated and more conservative amortisation of PVFP (~€22m impact in Q3 2016), but above the 9M 2015 EBIT, even when also adjusting for last year's goodwill impairment (€155m in Q2 2015)

EBIT impacted by an accelerated PVFP amortisation, but still ahead of the 9M 2015 EBIT - even when also adjusting for the full goodwill impairment in Q2 2015

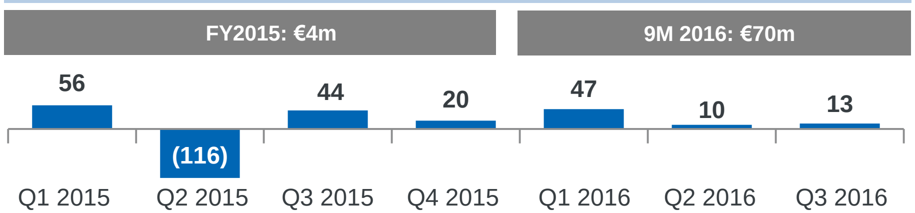
talanx.

II Segments – Retail Germany Division

P&L for Retail Germany

€m, IFRS	9M 2016	9M 2015	Δ	Q3 2016	Q3 2015	Δ
Gross written premium	**4,776**	**5,143**	**(7%)**	**1,430**	**1,475**	**(3%)**
of which Life	3,515	3,864	(9%)	1,149	1,185	(3%)
of which Non-Life	1,261	1,279	(1%)	281	291	(3%)
Net premium earned	3,606	4,062	(11%)	1,152	1,273	(9%)
Net underwriting result	(1,239)	(1,201)	n/m	(426)	(361)	n/m
of which Life	(1,205)	(1,190)	n/m	(425)	(357)	n/m
of which Non-Life	(33)	(11)	n/m	(1)	(4)	n/m
Net investment income	1,402	1,351	+4%	466	403	+15%
Operating result (EBIT)	**70**	**(16)**	**n/m**	**13**	**44**	**(70%)**
Group net income	39	(73)	n/m	15	31	(51%)
Return on investment (annualised)	3.8%	3.9%	(0.1%)pts	3.8%	3.4%	+0.4%pts

EBIT (€m)



Comments

- Starting with 6M 2016 reporting, the Life and P/C segments in the German Retail business report separately. In addition, we continue to show the aggregated numbers for the Division
- 9M 2016 GWP -7% lower, predominantly due to a premium decline in Life - consistent with the targeted phase-out of traditional guarantee business and the intended reduction in single-premium business. GWP development in P/C is down by ~1.5%, mainly due to the continued profitabilisation in Motor
- Net investment income is up by ~4%, predominantly due to higher extraordinary gains in Retail Germany Life to finance ZZR. Moderate decline in ordinary investment result of ~2% is reflecting the low-interest rate environment
- Cost impact from strategy programme KuRS affected the Division by a total of ~€75m (Q3 2016: €16m). The impact on the 9M EBIT was €52m (Q3 2016: €12m). Adjusted for the impact from KuRS and the 2015 goodwill writedown, the 9M 2016 EBIT was ~€122m, i.e. somewhat down y/y – fully explained by the faster amortisation of PVFP (~€22m)

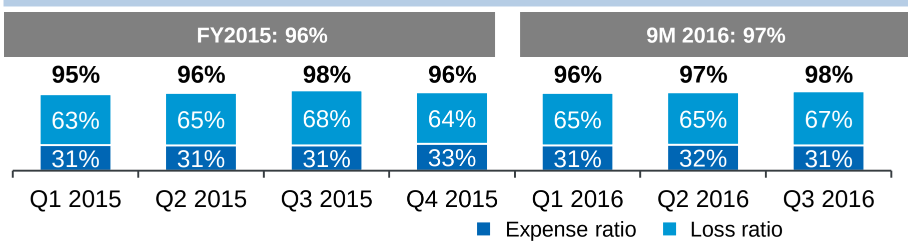
9M 2016 significantly positive despite KuRS burden and impact from PVFP amortisation

II Segments – Retail International

P&L for Retail International

€m, IFRS	9M 2016	9M 2015	Change	Q3 2016	Q3 2015	Change
Gross written premium	**3,669**	**3,463**	**+6%**	**1,182**	**1,071**	**+10%**
of which Life	1,322	1,008	+31%	372	277	+34%
of which Non-Life	2,347	2,455	(4%)	811	793	+2%
Net premium earned	3,098	2,755	+12%	1,001	852	+17%
Net underwriting result	(4)	1	n/m	(11)	(18)	n/m
of which Life	(65)	(71)	n/m	(25)	(27)	n/m
of which Non-Life	61	72	(16%)	14	10	+44%
Net investment income	245	250	(2%)	92	83	+10%
Operating result (EBIT)	**163**	**174**	**(6%)**	**57**	**47**	**+20%**
Group net income	98	106	(8%)	33	28	+17%
Return on investment (annualised)	**3.7%**	**4.4%**	**(0.7%)pts**	**4.0%**	**4.2%**	**(0.2%)pts**

Combined ratio[1]



Comments

- 9M 2016 GWP up by 6.0% y/y despite currency headwinds mainly in Latin America (curr.-adj.:+11.9%), helped by a significant increase in single-premium Life business in Italy and the consolidation of CBA/Italy end of June 2016 (GWP impact: ~€100m). In Q3 2016, GWP grew by 10.4% (curr.-adj.:+11.7%)
- On a currency-adjusted basis, GWP in P/C grew by 2.8% in 9M 2016 y/y, backed by underlying growth in core markets Poland, Chile, Mexico and Turkey
- 9M 2016 combined ratio was up 0.7%pts y/y to 97.0% as business diversification led to a slightly higher cost ratio. Currency depreciation affects costs for spare parts and led to higher loss ratios, namely in Brazil and Mexico, only partially compensated by a better combined ratio in Chile. In Q3 2016, combined ratio for the segment improved by 0.5%pts y/y to 98.0%
- Moderate 9M 2016 EBIT decline despite negative currency translation effect (~€11m) and the additional asset tax charge in Poland (~€16m), only partially offset by a positive one-off in Brazil (~€8m)
- Turkey added €4.5m to 9M 2016 EBIT (9M 2015: €3.7m). Contribution from Chile[2] was €221m GWP (€181m) and ~€14m EBIT (€6.6m)

[1] Incl. net interest income on funds withheld and contract deposits

[2] Consolidated from 13 Feb 2015; "as-if" numbers for HDI Seguros S.A after merger (1 April 2016) with Magallanes Generales

9M 2016 EBIT decline fully explained by currency headwind and impact from asset tax in Poland

talanx.

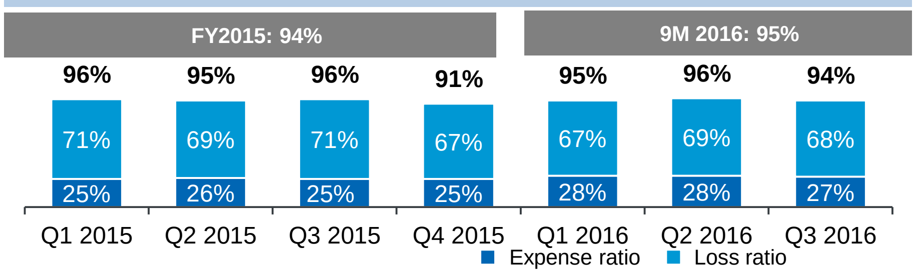
II

Segments – Non-Life Reinsurance

P&L for Non-Life Reinsurance

€m, IFRS	9M 2016	9M 2015	Change	Q3 2016	Q3 2015	Change
Gross written premium	7,121	7,319	(3%)	2,494	2,347	+6%
Net premium earned	5,925	5,965	(1%)	2,086	2,071	+1%
Net underwriting result	**274**	**248**	**+10%**	**109**	**81**	**+35%**
Net investment income	663	689	(4%)	232	252	(8%)
Operating result (EBIT)	**917**	**975**	**(6%)**	**337**	**359**	**(6%)**
Group net income	301	320	(6%)	114	114	+0%
Return on investment	2.8%	3.1%	(0.3%)pts	2.9%	3.4%	(0.5%)pts

Combined ratio[1]



[1]Incl. net interest income on funds withheld and contract deposits

Comments

- 9M 2016 GWP declined by 2.7% y/y (adjusted for currency effects: -1.5%); growth mainly from US and structured Reinsurance, reduced volume from China motor business and specialty lines. Currency-adjusted, 9M 2016 net premium earned up by 0.9%
- Major losses of €393m, well below budget of €621m for 9M 2016
- Positive run-off as expected, no extraordinary effects in Q3 2016
- Satisfactory ordinary investment income
- Other income and expenses unremarkable, 9M 2015 benefitted from positive currency effects
- 9M 2016 EBIT margin[2] of 15.5% (9M 2015: 16.3%) well above target

[2] EBIT margins reflect a Talanx Group view

Premium development in line with selective underwriting approach

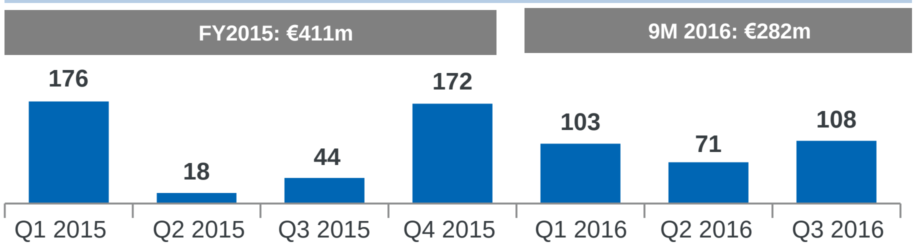
talanx.

II Segments – Life/Health Reinsurance

P&L for Life/Health Reinsurance

€m, IFRS	9M 2016	9M 2015	Change	Q3 2016	Q3 2015	Change
Gross written premium	5,334	5,627	(5%)	1,678	2,013	(17%)
Net premium earned	4,841	4,864	(0%)	1,513	1,739	(13%)
Net underwriting result	**(237)**	**(334)**	**n/m**	**(61)**	**(118)**	**n/m**
Net investment income	494	542	(9%)	173	176	(2%)
Operating result (EBIT)	**282**	**238**	**+18%**	**108**	**44**	**+145%**
Group net income	102	84	+21%	39	15	+160%
Return on investment	4.0%	4.7%	(0.7%)pts	4.9%	4.4%	+0.5%pts

EBIT (€m)



Comments

- 9M 2016 GWP -5.2%; adjusted for currency effects: -2.0%, reduced premium due to discontinued large-volume treaties in Australia and China, partly offset by growth from UK Longevity
- Net premium earned grew by 2.8% on currency-adjusted basis
- Improved technical result in line with expectation
- Ordinary investment income in line with expectation (Q1 2015 affected by positive one-off of €39m)
- Decreased impact from positive currency effects in other income
- 9M 2016 EBIT margin[1] of 5.8% (9M 2015: 4.9%) for the segment

[1] EBIT margin reflects a Talanx Group view

Significantly increased earnings contribution from L/H Reinsurance

III Net investment income

Net investment income Talanx Group

€m, IFRS	9M 2016	9M 2015	Change	Q3 2016	Q3 2015	Change
Ordinary investment income	**2,441**	**2,531**	**(4%)**	**802**	**831**	**(3%)**
thereof current investment income from interest	2,055	2,176	(6%)	681	720	(5%)
thereof profit/loss from shares in associated companies	5	8	(42%)	2	2	+36%
Realised net gains/losses on investments	547	466	+17%	216	122	+77%
Write-ups/write-downs on investments	(138)	(123)	+12%	(34)	(28)	+20%
Unrealised net gains/losses on investments	59	(12)	n/m	16	(12)	n/m
Investment expenses	(174)	(160)	+9%	(55)	(56)	(2%)
Income from investments under own management	**2,735**	**2,702**	**+1%**	**946**	**857**	**+10%**
Income from investment contracts	**7**	**6**	**+12%**	**1**	**2**	**(45%)**
Interest income on funds withheld and contract deposits	**238**	**281**	**(15%)**	**71**	**93**	**(23%)**
Total	**2,981**	**2,989**	**(0%)**	**1,018**	**952**	**+7%**

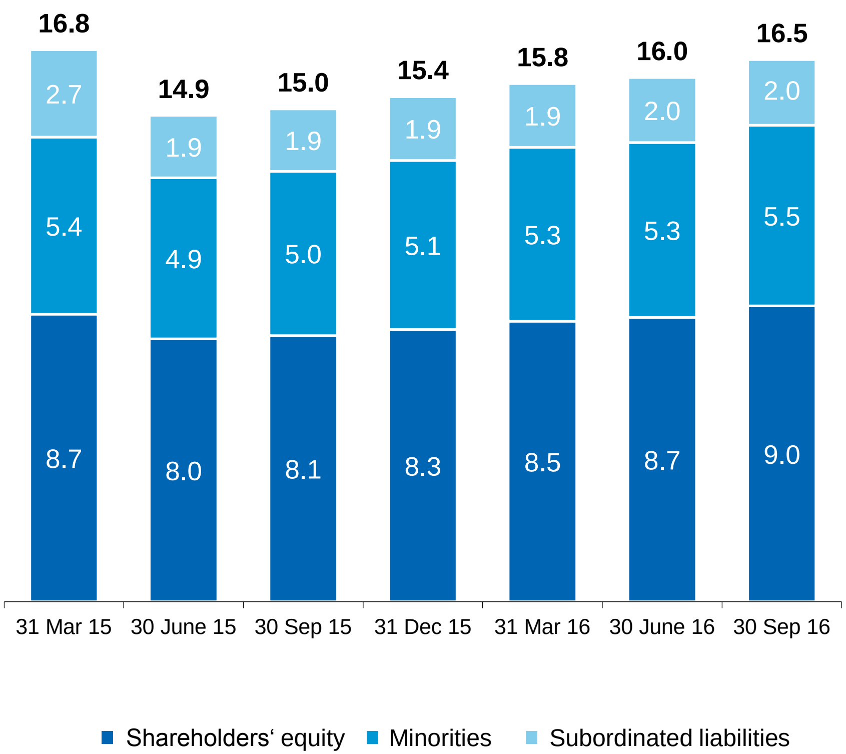
Comments

- Ord. investment income reflects the decline in interest income - and on 9M 2016 basis - the negative base effect from the one-off payment following a withdrawel from a US-transaction (~€39m) in L/H Reinsurance in Q1 2015
- Realised investment net gains increased by ~17% y/y to €547m in 9M 2016, mainly due to higher realised gains in Retail Germany to finance ZZR (9M 2016 allocation: €502 vs. 9M 2015: €362m).
- Somewhat higher writedowns on investments in 9M 2016 y/y mainly in Q2 2016 due to lower equity prices. Base effect from Q1 2015, which had been impacted by a 50% impairment of the bond position in Heta Asset Ressolution (mid double-digit €m amount) – to bel largely unwound in Q4 2016
- ROI of 3.5% just slightly lower y/y (9M 2015: 3.7%) and well above the FY2016 outlook of "at least 3.0%"
- ModCo derivatives: €0m (9M 2015: €-19m); in Q3 2016: €1m (Q3 2015: €-13m); no impact from inflation swaps as these have been terminated in FY2015 (9M 2015: €-14m; Q3 2015: €0m)

9M 2016 ROI at 3.5% - just slightly below the 9M 2015 level and well above the FY2016 target of "at least 3.0%"

III Equity and capitalisation – Our equity base

Capital breakdown (€bn)



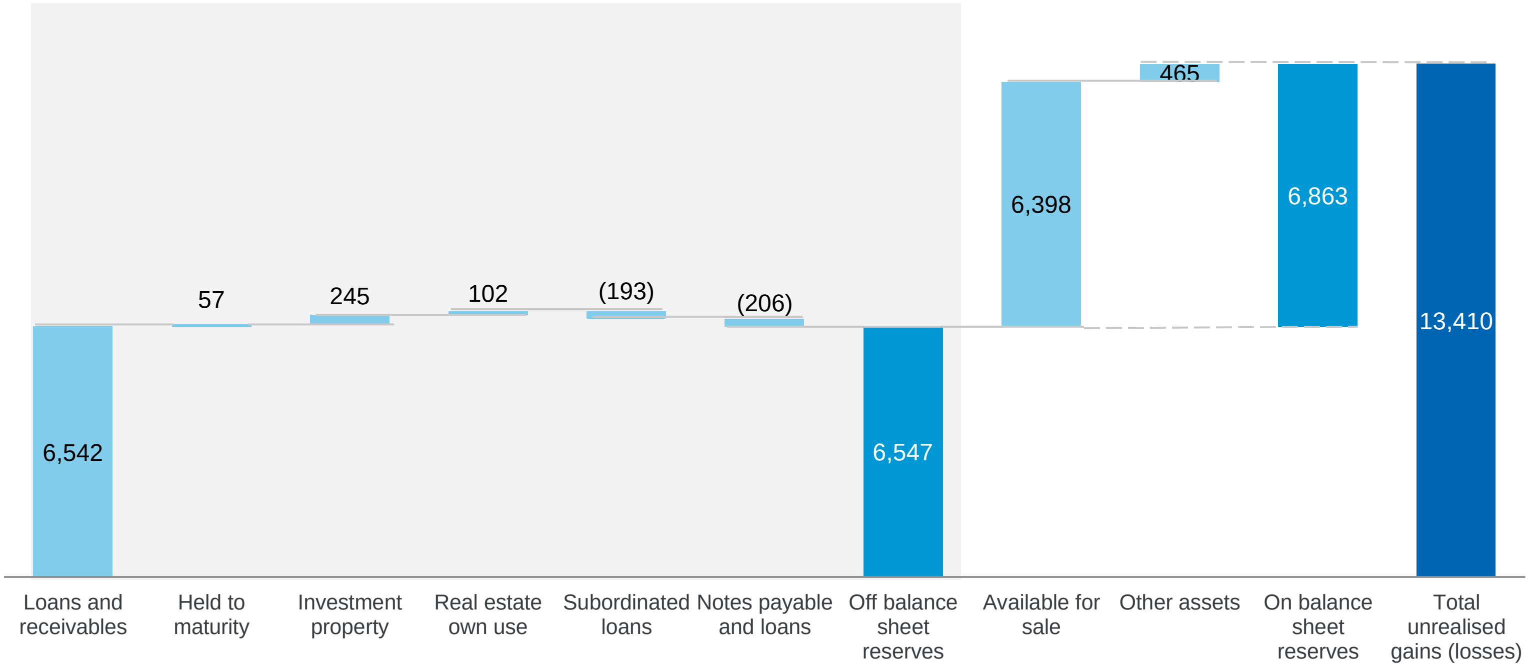
Comments

- Compared to the end of FY2015, shareholders' equity increased by ~€720m to €9,002 million at the end of Q3 2016. The FY2015 dividend payout in May (€329m) has been more than compensated by the net income (€635m) and by the positive change in OCI (€423m), the latter predominantly due to lower interest rates
- Book value per share stood at €35.61 compared to €31.96 in Q3 2015 and €32.76 in FY 2015, while NAV per share was €31.49 (Q3 2015: €27.87, FY2015: €28.66)
- Neither book value per share nor NAV contain off-balance sheet reserves. These amounted to €534m (see next page) or €2.11 per share (shareholder share only). This added up to an adjusted book value of €37.72 per share and an adj. NAV (excluding goodwill) of €33.60

Shareholders' equity up by ~€720m compared to end of FY2015

III Equity and capitalisation – Unrealised gains

Unrealised gains and losses (off and on balance sheet) as of 30 September 2016 (€m)



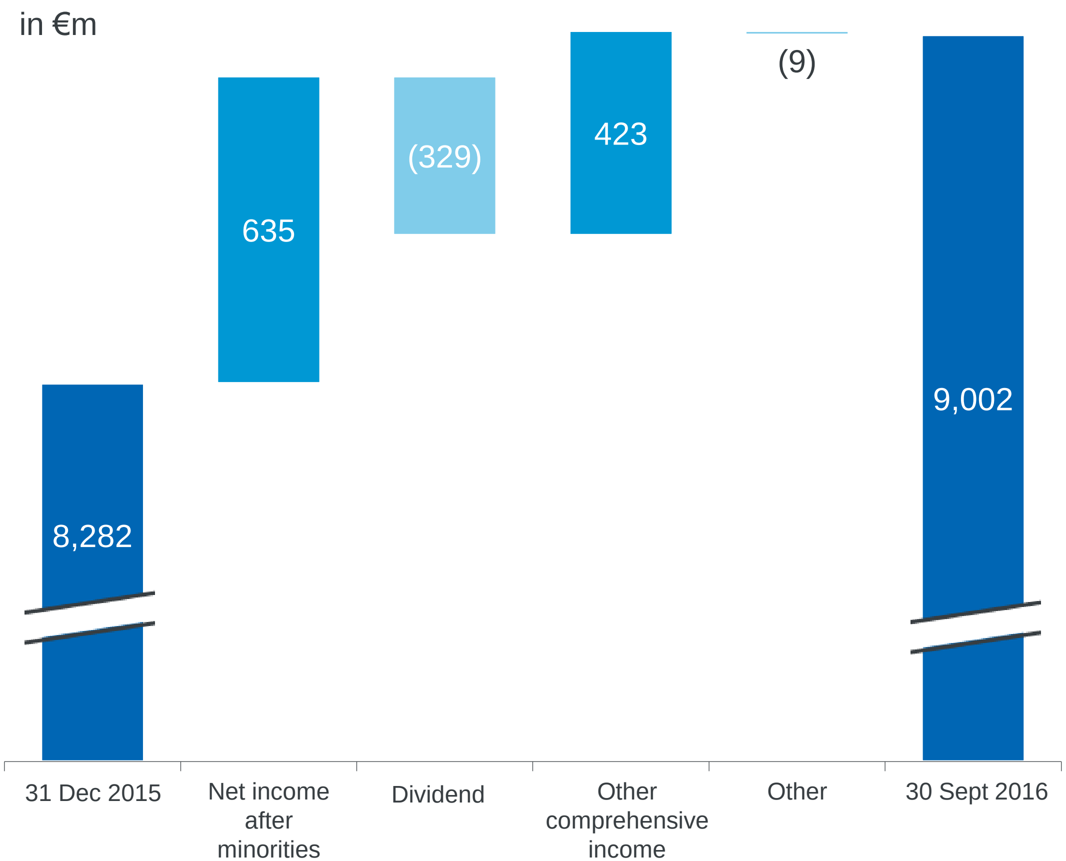
31 Dec 15	4,894	66	219	90	(294)	(89)	4,887	3,150	519	3,669	8,557

Δ market value vs. book value

Note: Shareholder contribution estimated based on FY2015 profit sharing pattern

Off-balance sheet reserves of ~€6.5bn – €534m (€2.11 per share) attributable to shareholders (net of policyholders, taxes & minorities)

III Equity and capitalisation – Contribution to change in equity



Comments

- At the end of September 2016, shareholders‘ equity stood at €9,002m or €35.61 per share
- This was above the level at the end of FY2015 (€8,282m or €32.76 per share) predominantly driven by the 9M 2016 Group net income and the positive OCI movement - well above the dividend payout in May 2016
- At the end of Q2 2016, the Solvency II Ratio (Regulatory View) stood at a good 172 (FY2015: 171; Q1 2016: 166) percent (HDI Group level). Based on Basic Own Funds, so taking the full internal model into account, Talanx's capitalisation was 262 (FY2015: 253; Q1 2016: 245) percent – all numbers before transitionals

Shareholders' equity up to €9,002m or €35.61 per share

talanx.

A Mid-term Target Matrix

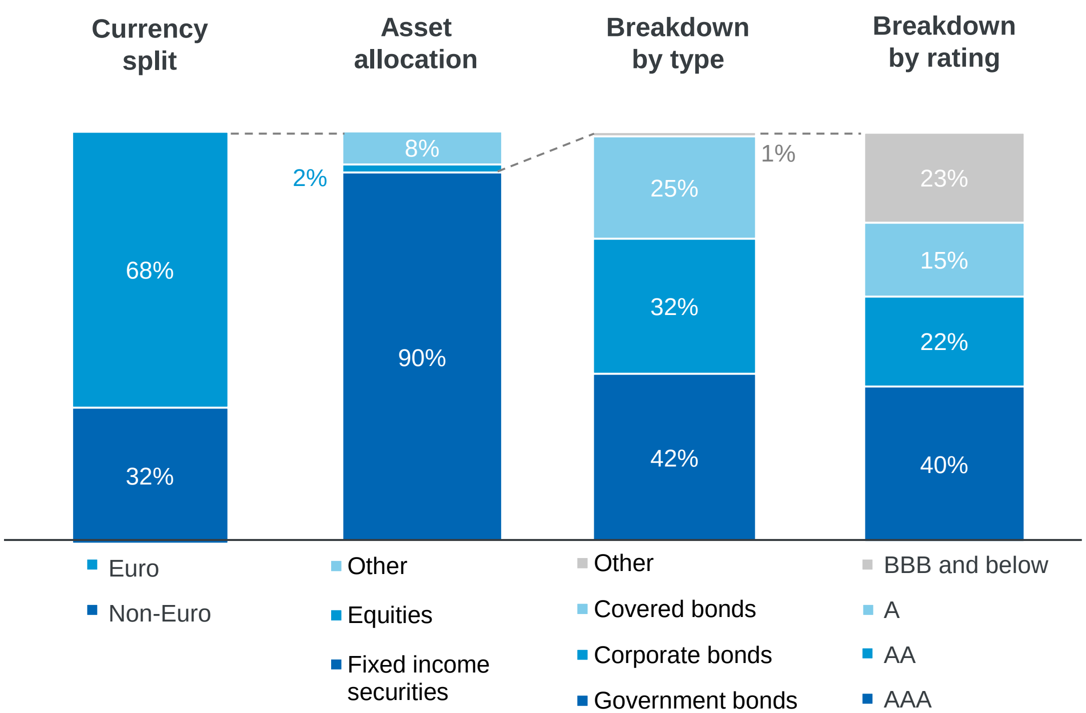
Divisions/Segments	Key figures	Strategic targets (2015 - 2019)
Group	Gross premium growth[1]	3 - 5%
	Return on equity	≥ 750 bps above risk free[2]
	Group net income growth	mid single-digit percentage growth rate
	Dividend payout ratio	35 - 45%
	Return on investment	≥ risk free + (150 to 200) bps[2]
Industrial Lines	Gross premium growth[1]	3 - 5%
	Retention rate	60 - 65%
Retail Germany	Gross premium growth	≥ 0%
Retail International	Gross premium growth[1]	≥ 10%
Primary Insurance	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]	> €110m
	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 €220m
[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

talanx.

A 9M 2016 Additional Information – Breakdown of investment portfolio

Investment portfolio as of 30 Sept. 2016 | **Fixed-income-portfolio split** | **Comments**



Total: €107.1bn | **Total: €96.3bn**

- Investments under own management up by 8.3% y/y to €107.1bn (Q3 2015: €98.9bn). This includes the ~€1.0bn from acquired CBA Vita/Italy (consolidation as of 30 June 2016)
- Investment portfolio remains dominated by fixed-income securities: 90% portfolio share in Q3 2016 (Q3 2015: 90%)
- Over 75% of fixed-income portfolio invested in "A" or higher-rated bonds – broadly stable over recent quarters (Q3 2015: 79%)
- 19% of "investments under own management" held in USD, 32% overall in non-euro currencies (Q3 2015: 31%)

Investment strategy unchanged – portfolio dominated by strongly rated fixed-income securities

A Q3 2016 Additional Information – Details on selected fixed income country exposure

Investments into issuers from countries with a rating below A-[1] (in €m)

Country	Rating	Sovereign	Semi-Sovereign	Financial	Corporate	Covered	Other	Total
Italy	BBB	2,231	-	839	644	327	-	**4,041**
Spain	BBB+	800	446	283	451	335	-	**2,316**
Brazil	BB	227	-	95	330	-	9	**661**
Mexico	BBB+	100	6	34	286	-	-	**426**
Hungary	BB+	386	-	3	8	7	-	**404**
Russia	BB+	103	5	95	152	-	-	**354**
South Africa	BBB-	172	7	14	49	-	7	**249**
Portugal	BB+	34	-	3	61	17	-	**115**
Turkey	BBB-	23	5	25	22	3	-	**79**
Greece	CCC	-	-	-	-	-	-	**-**
Other BBB+		46	5	59	78	3	-	**191**
Other BBB		81	42	49	46	-	-	**217**
Other <BBB		126	17	77	140	3	320	**678**
Total		**4,329**	**534**	**1,575**	**2,270**	**688**	**336**	**9,732**
In % of total investments under own management		4.0%	0.5%	1.5%	2.1%	0.6%	0.3%	**9.1%**
In % of total Group assets		2.7%	0.3%	1.0%	1.4%	0.4%	0.2%	**6.1%**

[1] Investment under own management

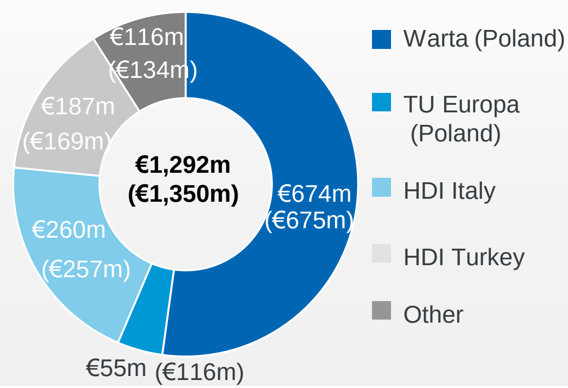
talanx.

II Retail International Europe: Key financials

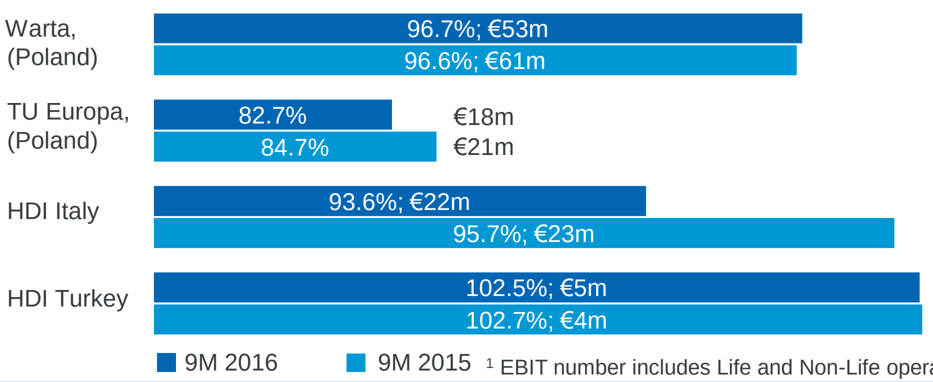
P&L for Retail International Europe

€m, IFRS	9M 2016	9M 2015	Δ	Q3 2016	Q3 2015	Δ
Gross written premium	**2,571**	**2,307**	**12%**	**773**	**662**	**17%**
Net premium earned	2,136	1,825	17%	664	549	21%
Net underwriting result	(10)	(28)	n/m	8	18	(56%)
Net investment income	173	182	(5%)	65	60	9%
Operating result (EBIT)	**118**	**129**	**(9%)**	**42**	**39**	**8%**

GWP split by carriers (P/C), 9M 2016

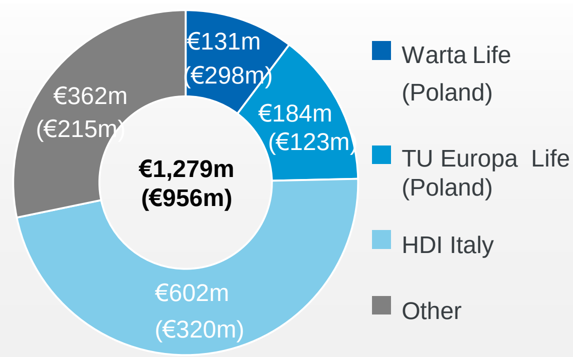


Combined ratio and EBIT[1] by selected carrier, 9M 2016



[1] EBIT number includes Life and Non-Life operations

GWP split by carriers (Life), 9M 2016



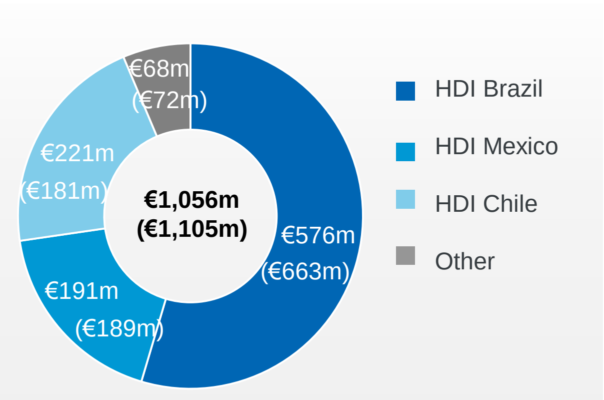
EBIT impacted by asset tax in Poland and lower investment income

II Retail International LatAm: Key financials

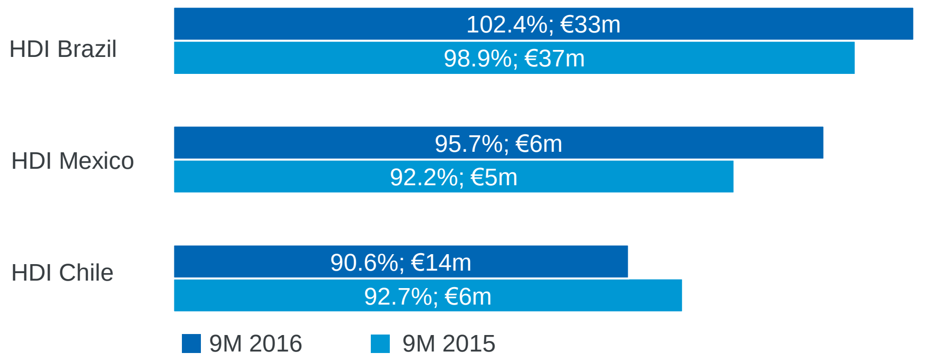
P&L for Retail International LatAm

€m, IFRS	9M 2016	9M 2015	Δ	Q3 2016	Q3 2015	Δ
Gross written premium	**1,078**	**1,130**	**(5%)**	**402**	**400**	**1%**
Net premium earned	961	926	4%	336	302	11%
Net underwriting result	6	30	(81%)	(2)	1	(377%)
Net investment income	73	69	5%	27	23	14%
Operating result (EBIT)	**53**	**52**	**2%**	**20**	**10**	**100%**

GWP split by carriers (P/C)

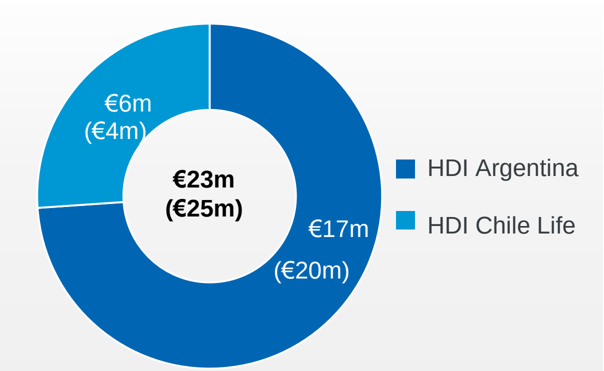


Combined ratio and EBIT[1] by selected carrier



[1] EBIT number includes Life and Non-Life operations

GWP split by carriers (Life)



EBIT negatively impacted by currency depreciation in a number of Latin American markets

talanx.

Disclaimer

This presentation contains forward-looking statements which are based on certain assumptions, expectations and opinions of the management of Talanx AG (the "Company") or cited from third-party sources. These statements are, therefore, subject to certain known or unknown risks and uncertainties. A variety of factors, many of which are beyond the Company’s control, affect the Company’s business activities, business strategy, results, performance and achievements. Should one or more of these factors or risks or uncertainties materialize, actual results, performance or achievements of the Company may vary materially from those expressed or implied as being expected, anticipated, intended, planned, believed, sought, estimated or projected.in the relevant forward-looking statement.

The Company does not guarantee that the assumptions underlying such forward-looking statements are free from errors nor does the Company accept any responsibility for the actual occurrence of the forecasted developments. The Company neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by the Company as being accurate. Presentations of the company usually contain supplemental financial measures (e.g., return on investment, return on equity, gross/net combined ratios, solvency ratios) which the Company believes to be useful performance measures but which are not recognised as measures under International Financial Reporting Standards, as adopted by the European Union ("IFRS"). Therefore, such measures should be viewed as supplemental to, but not as substitute for, balance sheet, statement of income or cash flow statement data determined in accordance with IFRS. Since not all companies define such measures in the same way, the respective measures may not be comparable to similarly-titled measures used by other companies. This presentation is dated as of 08 February 2017. Neither the delivery of this presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date. This material is being delivered in conjunction with an oral presentation by the Company and should not be taken out of context.

Guideline on Alternative Performance Measures - For further information on the calculation and definition of targets and specific Alternative Performance Measures please refer to http://www.talanx.com/investor-relations/ueberblick/midterm-targets/definitions.aspx

talanx.