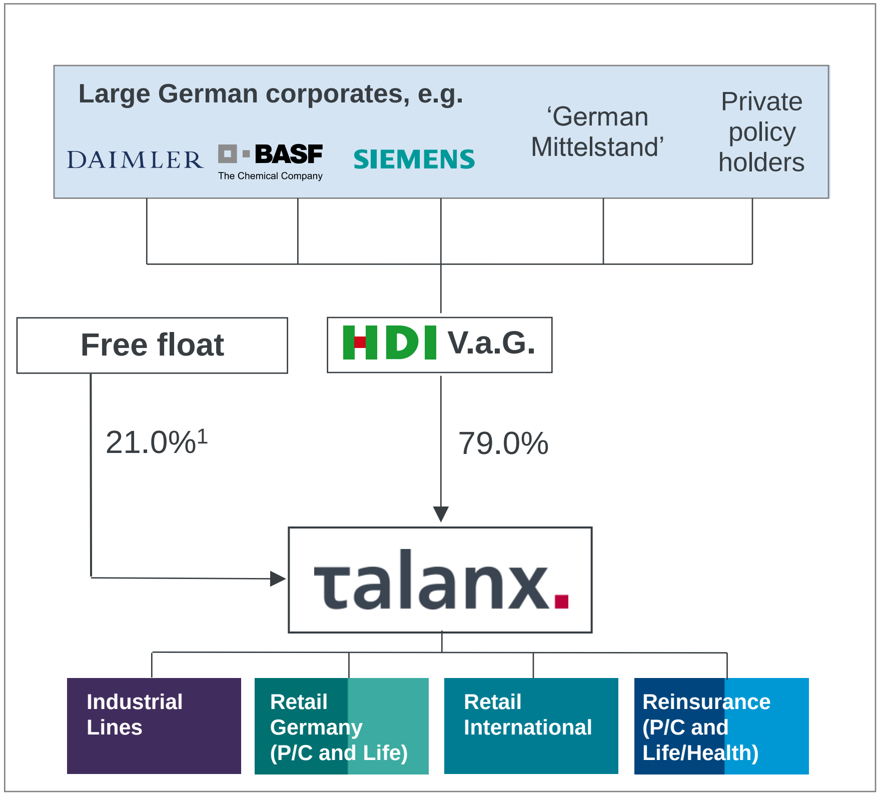
talanx.
Insurance. Investments.

Roadshow Frankfurt

Herbert K. Haas, CEO Talanx AG
Torsten Leue, CEO Talanx International AG
17 Mai 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 Rückversicherungs-AG
1991	Diversification into life insurance
1994	IPO of Hannover Rückversicherungs-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

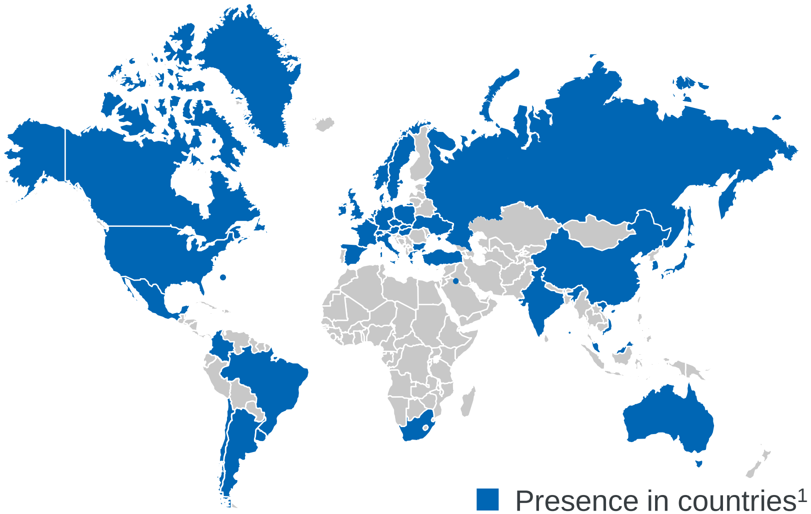
talanx.

Industrial Lines	Retail Germany	Retail International	Reinsurance	Financial Services
HDI	HDI	HDI	hannover re	talanx. Asset Management
	TARGO•VERSICHERUNG Schutz und Vorsorge	warta.	e+s rück	ampega.
	PB Versicherungen Partner der Postbank	Europa ubezpieczenia		talanx. Immobilien Management
	neue leben Versicherungen	Posta Biztosító		talanx. Reinsurance
	LifeStyle Protection	CiV Life		talanx. Reinsurance Broker

Integrated international insurance group following a multi-brand approach

International footprint and focussed growth strategy

International presence



Presence in countries[1]

- Total GWP: €31.1bn (2016)
- 2016 GWP: 50% in Primary Insurance (2015: 49%), 50% in Reinsurance (2015: 51%)
- Group wide presence in >150 countries
- 20,039 employees (FTE) in 2016

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 motor insurer in Poland[2] # 5 motor insurer in Brazil[2] # 3 motor insurer in Chile[2] # 7 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

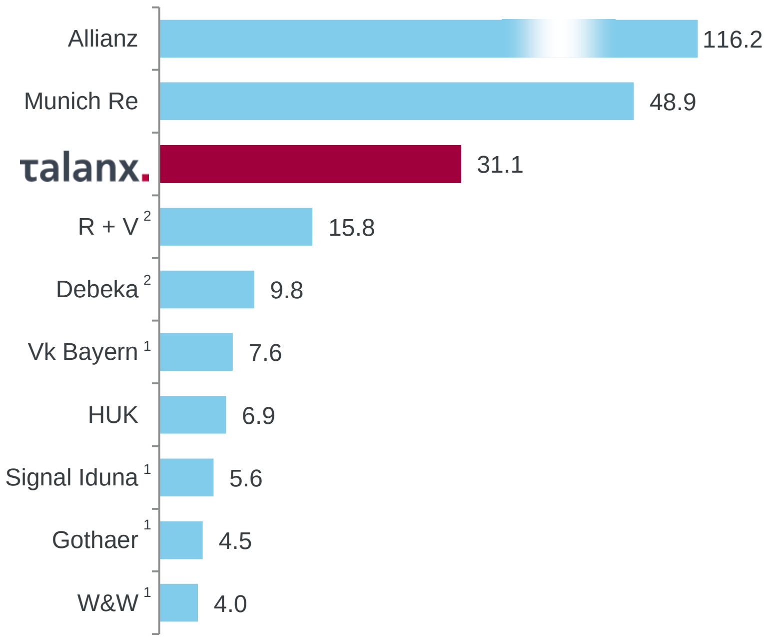
Global network in Industrial Lines and Reinsurance – leading position in retail target markets

talanx.

Among the leading European insurance groups

Top 10 German insurers

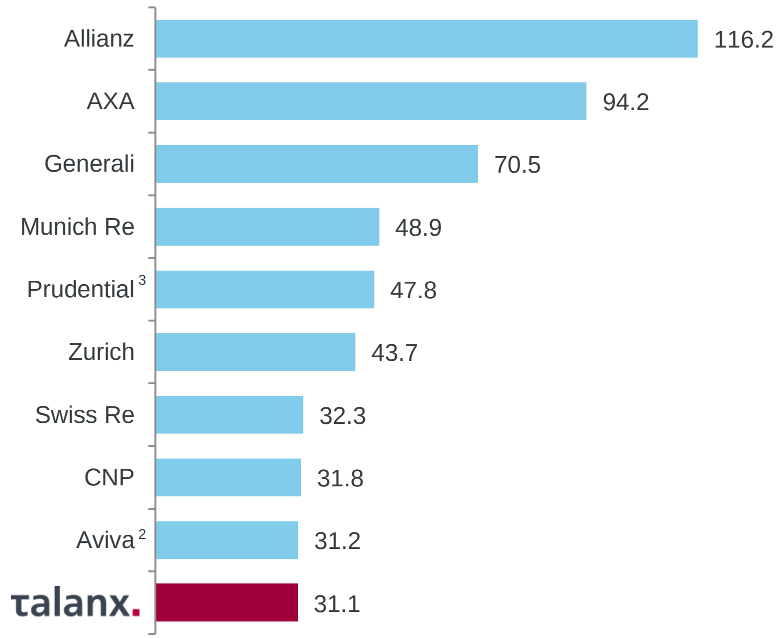
German insurers by global GWP (2016, €bn)



[1] 2015 figures
[2] preliminary figures
Source: Company publications, as of 28 April 2017

Top 10 European insurers

European insurers by global GWP (2016, €bn)

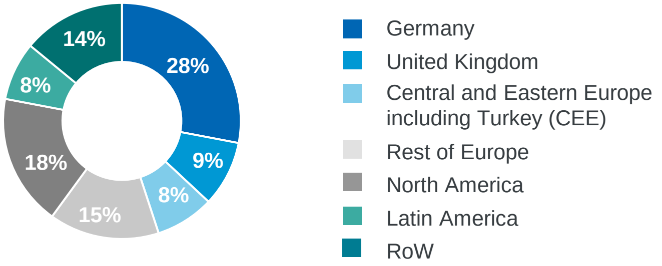


[3] Gross earned premium

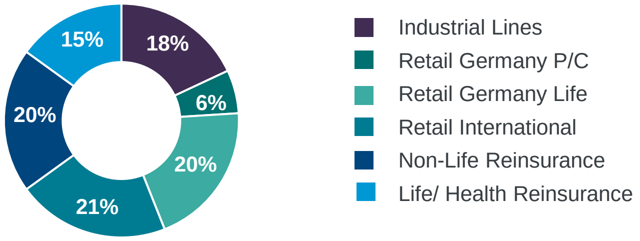
Third-largest German insurance group with leading position in Europe

Regional and segmental split of GWP and EBIT

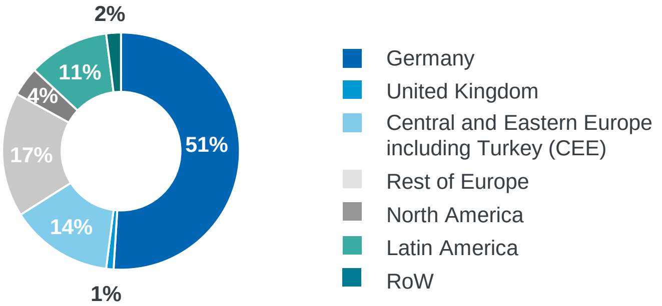
GWP by regions 2016 (consolidated Group level)



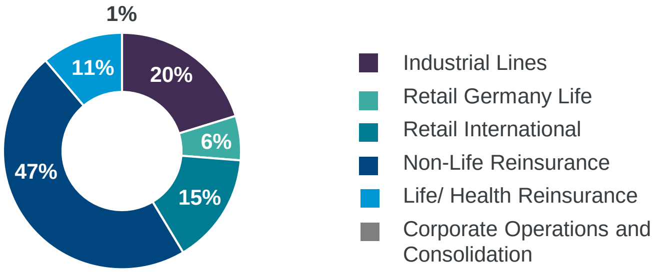
GWP by segments 2016[1]



GWP by regions 2016 (Primary Insurance)



EBIT by segments 2016[1,2]



[1] Adjusted for the 50.2% stake in Hannover Re
[2] Calculation excludes Retail Germany P/C, which reported a negative EBIT of €2m

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 requirement)

2

Generating positive annual earnings with a probability of 90%

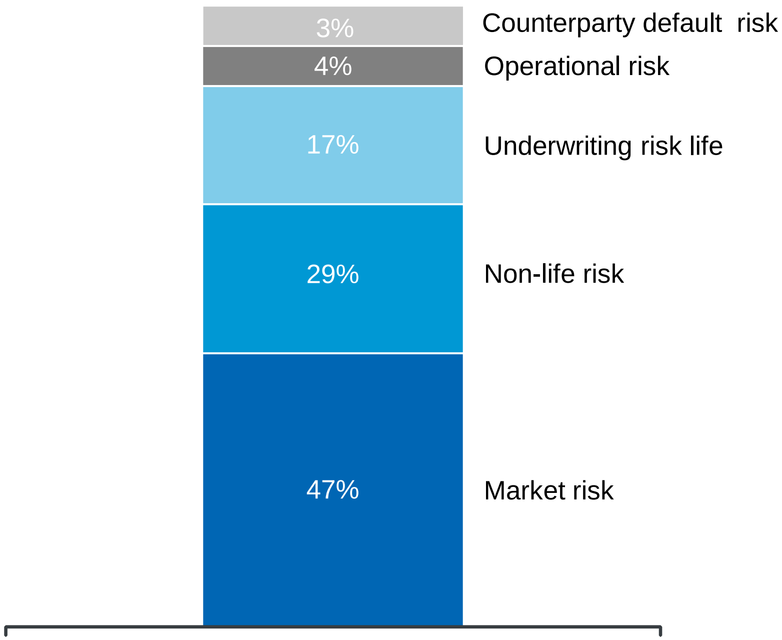
3

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

talanx.

1 Focus on insurance risk

Risk components of Talanx Group[1]



Comments

- Total market risk stands at 47% 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 ~2% of investments under own management
- Over 75% of fixed-income portfolio invested in “A“ or higher-rated bonds – broadly stable over recent quarters

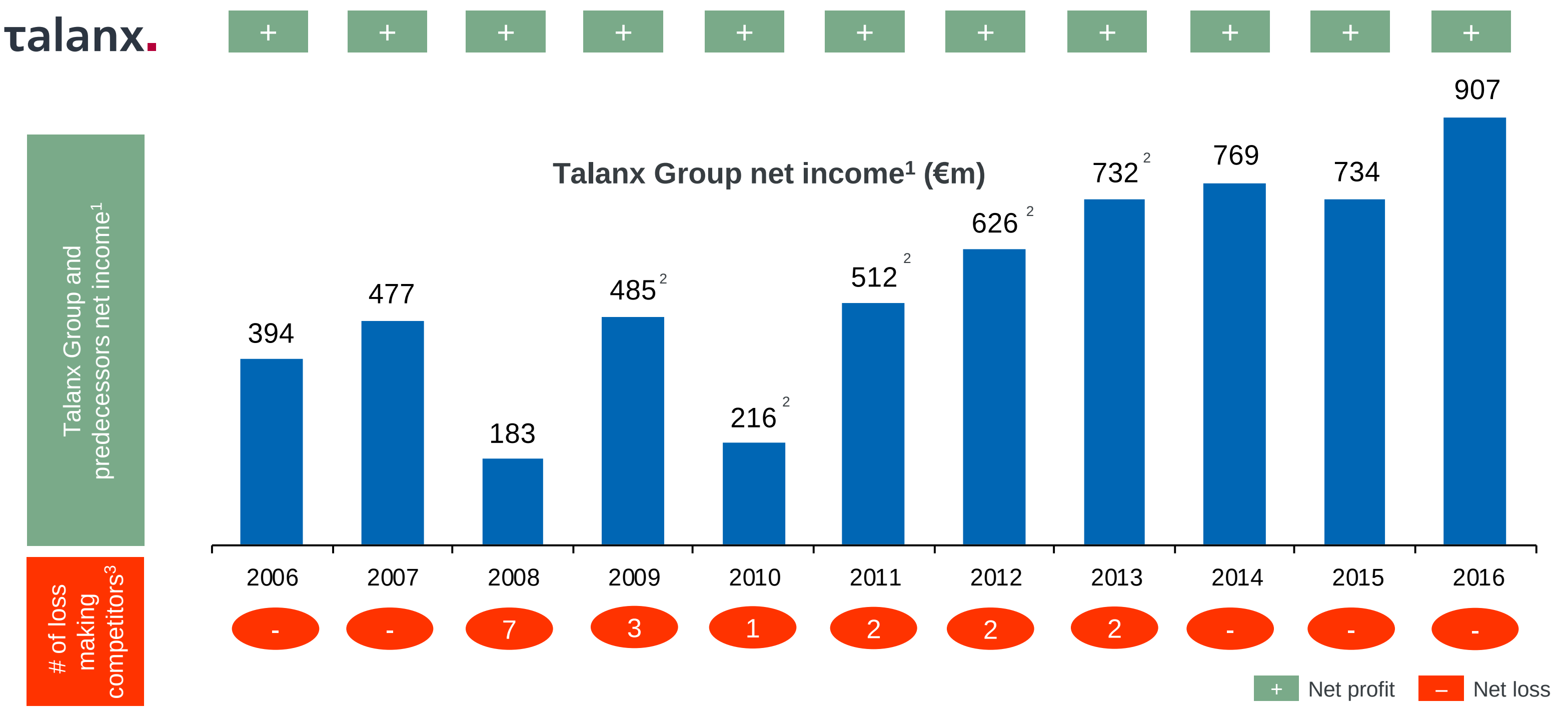
[1] Figures show risk categorisation, in terms of solvency capital requirements, of the Talanx Group in the economic view (based on Basic Own Funds) as of FY2016

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

talanx.

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 2016 results – Capitalisation perspectives

Economic View (BOF CAR)	264% ✓ (2015: 253%)	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[1]	186% ✓ (2015: 171%)	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 for the Group

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

[1]Group Solvency II Ratios including transitional (i.e. Regulatory View): FY2016: 236%, FY2015: 224%

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 – if not explicitly stated differently

Capital ratios improved despite a continuing low level of interest rates

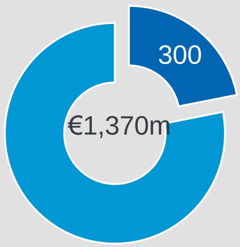
talanx.

Industrial Lines – Profitabilisation measures in Germany

2015/16

Portfolios under review (GWP) | Results from negotiations (gross) and portfolio improvement

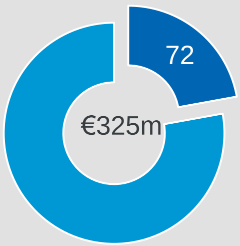
Property



Negotiated	€303.7m
Effects on premium	- 8.4%
Capacity	- 21.7%

Premium to capacity ratio +25%[1,2]

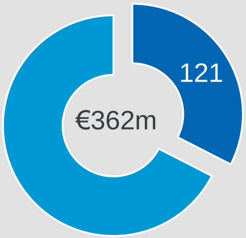
Marine



Negotiated	€71.8m
Effects on premium	-5.3%
Capacity	-26.9%

Premium to capacity ratio +30%[1]

Motor[3]



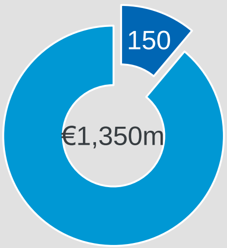
Negotiated	€121m
Effects on premium	-10.1%
Effect on losses[4]	~ -14%

Expected improvement in loss ratio by FY2016 ≥ 3%pts[5]

2016/17

Portfolios under review (GWP) | Results from negotiations (gross) and portfolio improvement

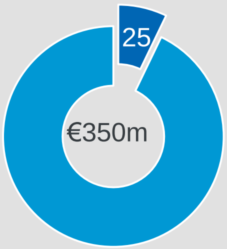
Property



Negotiated	€150m
Effects on premium	- 2.0%
Capacity	- 19.0%

Premium to capacity ratio +20.7%[1,2]

Marine



Negotiated	€24.5m
Effects on premium	+23.2%
Capacity	-15.0%

Premium to capacity ratio +44%[1]

Motor[3]

Successfully completed in 2016

■ Premium negotiated

[1] For 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)

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

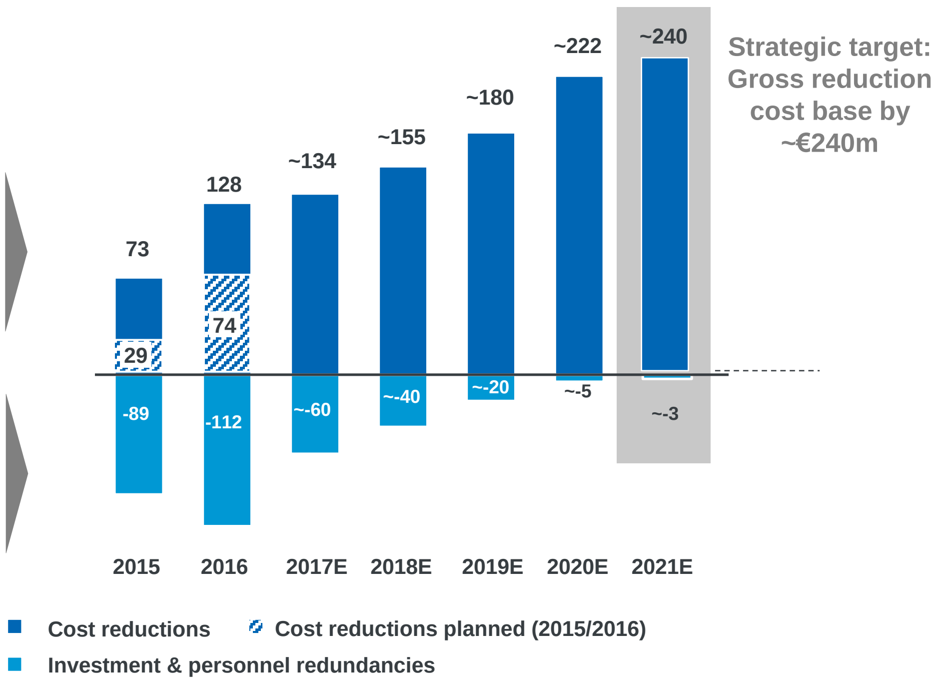
Retail Germany – KuRS programme: Investment and cost reduction targets

Estimated project costs and savings

in €m

~€240m
Cost reduction[1]

~€330m
Investment



[1] Cost reduction before Inflation

Comments

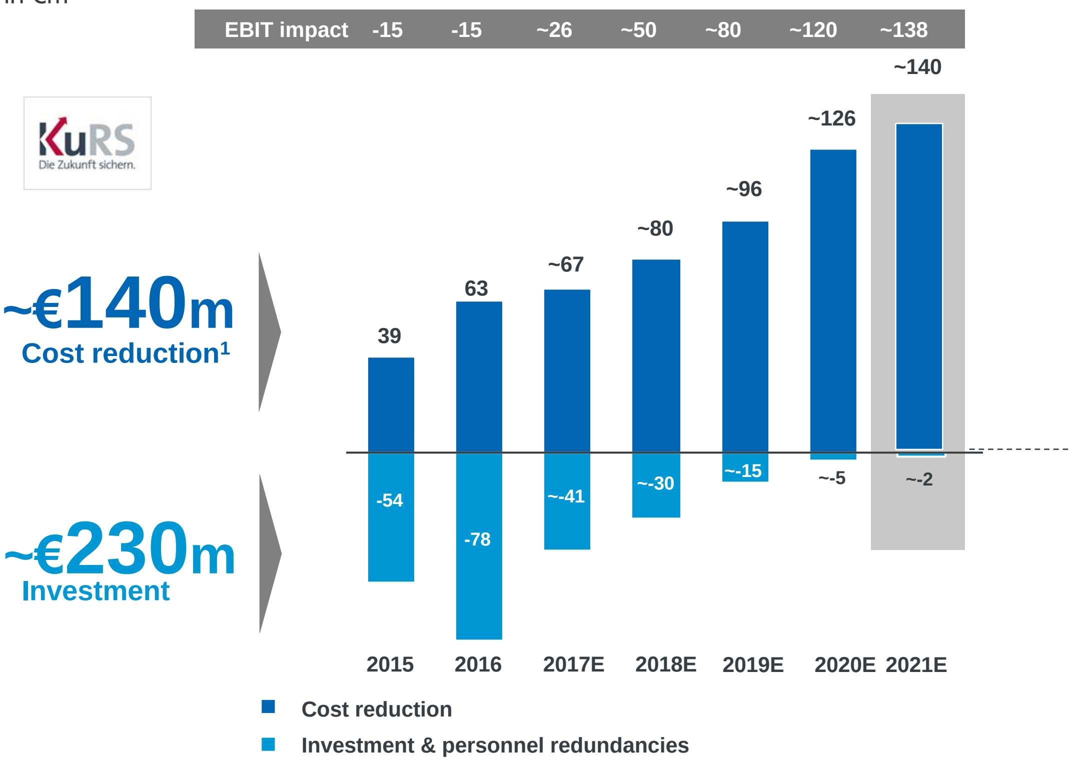
- Targeted strategic investments for KuRS are expected to be ~€330m
- The related cost saving target is ~€240m p.a.
- Both numbers refer to Life and P/C business in sum
- Target is to implement all initiatives in full by the end of 2020 with the full cost benefit to be reached in 2021

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

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

Estimated project costs and savings in P/C

in €m



[1] Cost reduction before Inflation

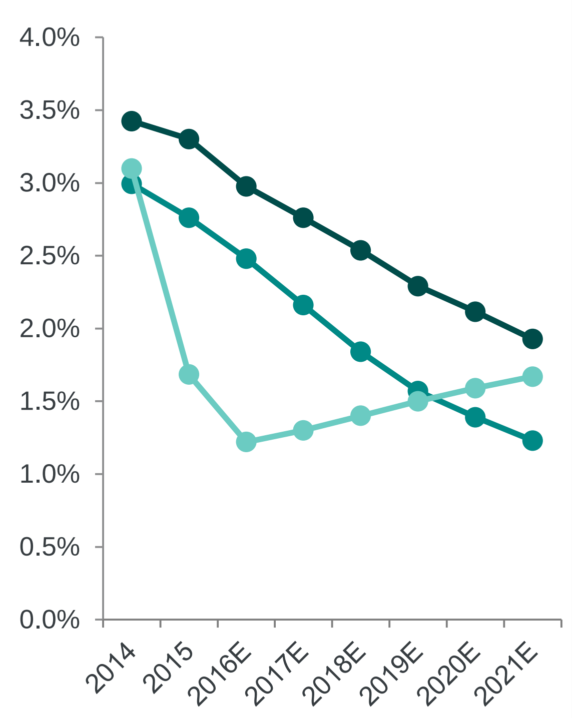
Comments

- 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

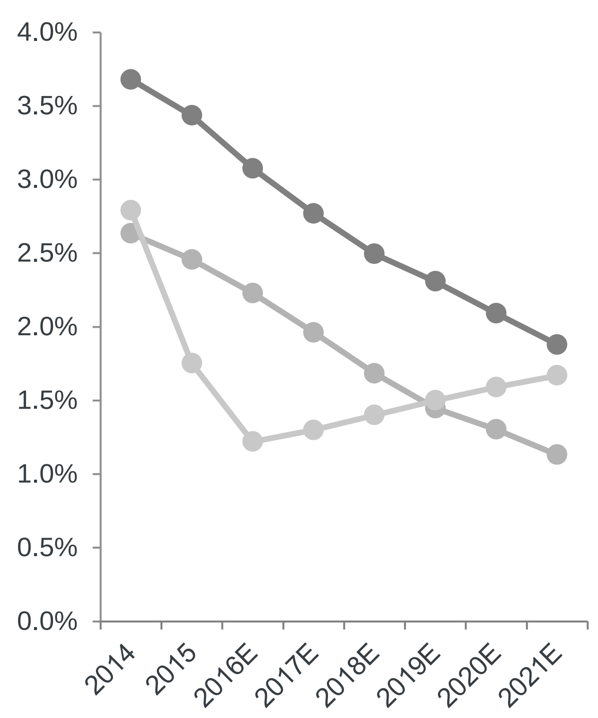
From 2017 onwards, the EBIT contribution of KuRS is expected to be positive

Retail Germany – 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: FY2016 overview

Brazil

GWP growth (local currency)	-4.8%	
Combined ratio	102.1%	+2.8%pts
EBIT (€)	42.3m	-8.8%

Mexico

GWP growth (local currency)	+17.0%	
Combined ratio	95.3%	+2.1%pts
EBIT (€)	8.1m	-2.6%

Chile[1]

GWP growth (local currency)	+24.7%	
Combined ratio	88.7%	-3.5%pts
EBIT (€)	24.1m	+112.3%

Poland

GWP growth (local currency)	-6.4%	
o/w Life	-24.4%	
o/w Non-Life	-4.1%	
Combined ratio[2]	96.1%	-0.4%pts
EBIT (€)	89.3m	-20.9%
o/w Life	4.3m	-81.6%
o/w Non-Life	84.9m	-4.9%

Turkey

GWP growth (local currency)	+24.2%	
Combined ratio	102.5%	0.0%pts
EBIT (€)	5.8m	+19.9%

[1] Includes all entities of HDI Chile Group operating in the Chilean market; 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 %:

2016	2017E
102.1	↘

Mexico

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

Combined Ratio in %:

2016	2017E
95.3	↘

Chile

- Increase direct online sales
- Focus on customer service
- Increase sales through mid-sized brokers

Combined Ratio in %:

2016	2017E
88.7	→

Poland (Warta)

- Innovation in pricing („Big Data")
- Data driven claims handling
- 360° sales management

Combined Ratio in %:

2016	2017E
96.1	↘

Turkey

- Focus on non-motor, pro-active risk selection in motor own damage
- Cost management in claims handling
- Offer "best in class" IT processes

Combined Ratio in %:

2016	2017E
102.5	↘

[1] Magallanes integrated in February 2015

Strategic initiatives as key drivers of combined ratio improvement – supported by transfer of best practices

talanx.

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**

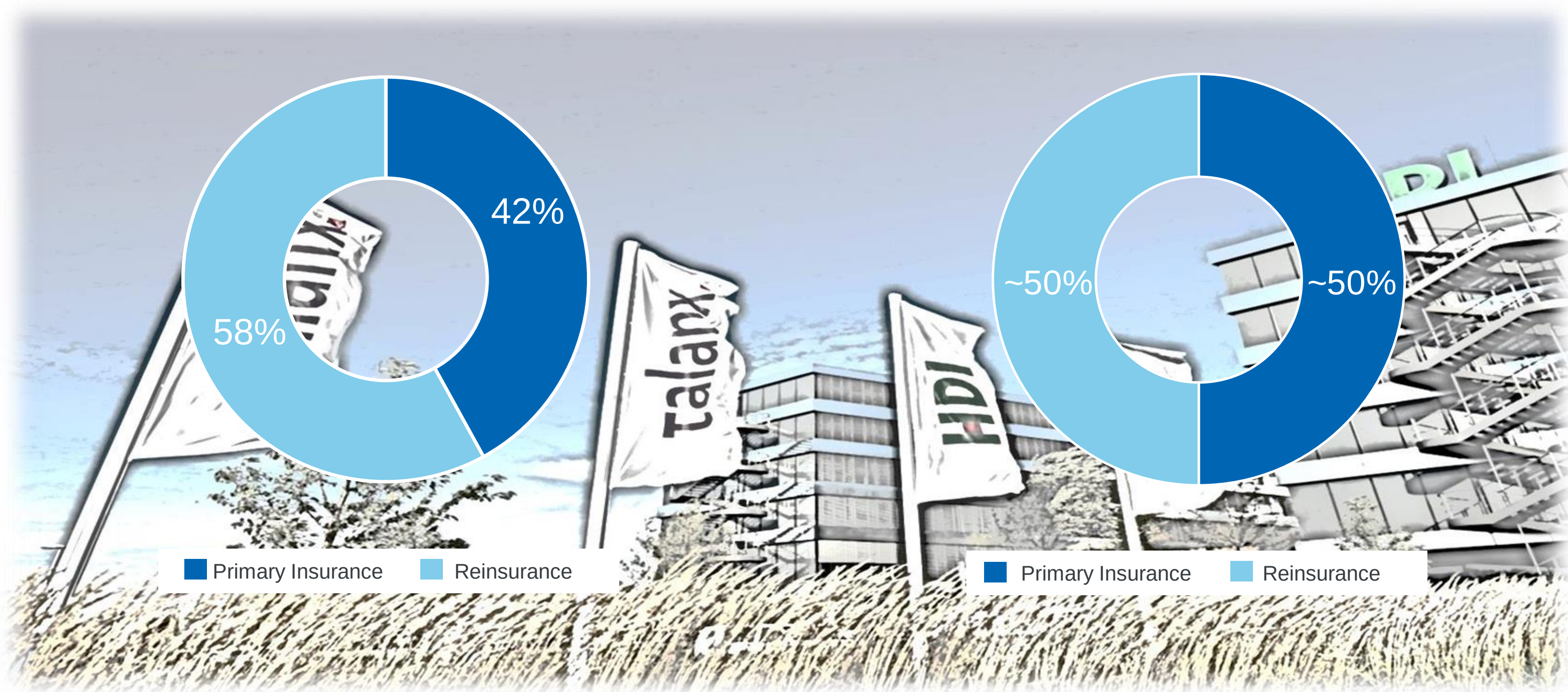
[1] The targets are based on a large loss budget of €290m (2016: €300m) in Primary Insurance, of which €260m (2016: €270m) in Industrial Lines. The large loss budget in Reinsurance stands at an unchanged €825m

**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 2016[1] | **EBIT ambition by 2021[1]**

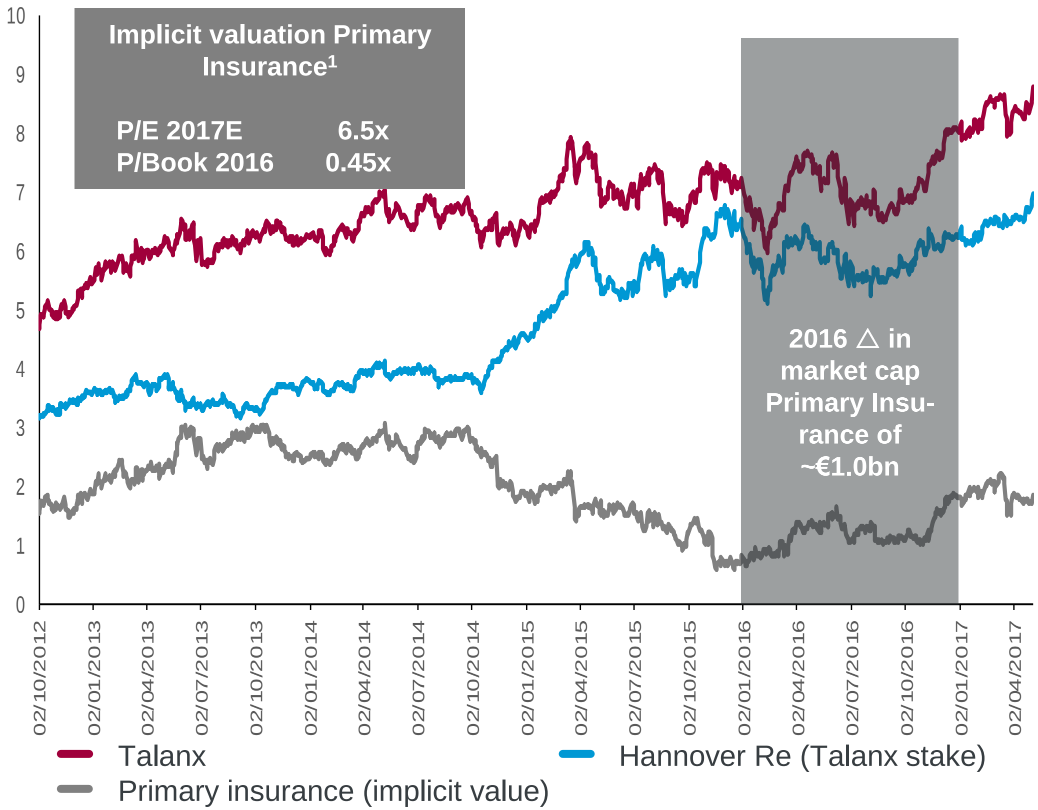


[1] Adjusted for the 50.2% stake in Hannover Re

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



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

[1] In this analysis, Primary insurance also contains Corporate Operations and Consolidation. Share prices as of 12 May 2017
Calculated as of 12 May 2017

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

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

Mid-term Target Matrix & Current Status

Segments	Key figures	Strategic targets (2015 - 2019)	2016	2015/2016[8]
Group	Gross premium growth[1]	3 - 5%	(0.3%)	2.2%
	Return on equity	≥ 750 bps above risk free[2]	10.4% [≥8.4%] ✓	9.7% [≥8.6%] ✓
	Group net income growth	mid single-digit percentage growth rate	23.6% ✓	9.5% ✓
	Dividend payout ratio	35 - 45%	37.6% ✓	41.2% ✓
	Return on investment	≥ risk free + (150 to 200) bps[2]	3.6% [≥2.4 – 2.9%] ✓	3.6% [≥2.6 – 3.1%] ✓
Primary Insurance – Industrial Lines	Gross premium growth[1]	3 - 5%	(0.1%)	1.2%
	Retention rate	60 - 65%	53.4%	52.6%
Primary Insurance – Retail Germany	Gross premium growth	≥ 0%	(5.7%)	(4.5%)
Primary Insurance – Retail International	Gross premium growth[1]	≥ 10%	10.2% ✓	8.4%
Primary Insurance	Combined ratio[3]	~ 96%	98.1%	-
	EBIT margin[4]	~ 6%	5.3% ✓	4.5%
P/C Reinsurance[7]	Gross premium growth[6]	3 - 5%	(0.2%)	4.1% ✓
	Combined ratio[3]	≤ 96%	93.7% ✓	-
	EBIT margin[4]	≥ 10%	17.2% ✓	17.2% ✓
Life & Health Reinsurance[7]	Gross premium growth[1]	5 - 7%	(4.3%)	2.5%
	Average value of New Business (VNB) after minorities[5]	≥ € 110m	€ 448m ✓	€ 361m ✓
	EBIT margin[4] financing and longevity business	≥ 2%	9.4% ✓	10.2% ✓
	EBIT margin[4] mortality and health business	≥ 6%	3.4%	3.5%

[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
[8] Growth rates calculated as 2014 – 2016 CAGR; otherwise arithmetic mean
Note: growth targets are based on 2014 results. Growth rates, combined ratios and EBIT margins are average annual targets

talanx.

- Q1 2017 -

I Q1 2017: Well on track to meet FY2017 Group Outlook

- Q1 2017 Group net income increased by 7% y/y to €238m (Q1 2016: €222m) – well on track to meet our FY2017 Group net income Outlook of ~€800m

- The Group‘s combined ratio remained stable at 96.3% (Q1 2016: 96.3%). Improvement in Primary Insurance segments (Industrial Lines, Retail Germany P/C) overcompensate the slightly higher combined ratio in Reinsurance P/C segment

- Return on investment stood at 3.5% (Q1 2016: 3.7%). Ordinary investment income up, also driven by distributions in real estate and other alternative investments

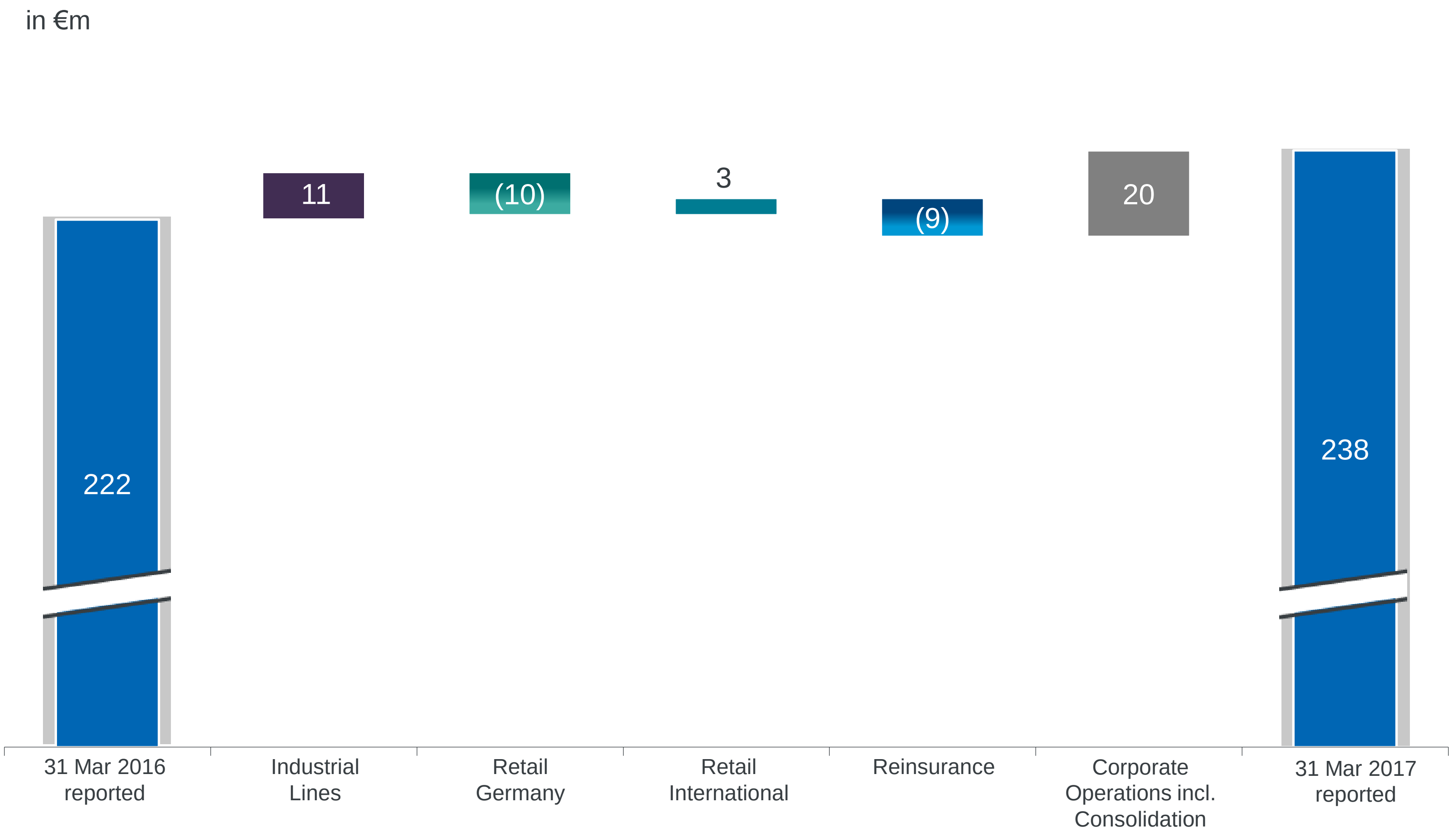
- Shareholders’ equity stood at €9,368m, or €37.06 per share at the end of Q1 2017. This is above the FY2016 level (€9,078m or €35.91 per share). RoE reached 10.3% (FY2016: 10.4%) – well on track to achieve FY2017 RoE Outlook of >8.0%

- FY 2016 Solvency II Ratio (excluding transitional) improved to 186% (FY2015: 171%) and is expected to have moved sideways in Q1 2017

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

talanx.

Q1 2017 – Divisional contribution to change in Group net income



Improvement of Group net income is due to positive contribution from Primary Insurance (incl. holding functions)

I Q1 2017 results – Key financials

Summary of Q1 2017

€m, IFRS	Q1 2017	Q1 2016	Change
Gross written premium	9,752	8,995	+8%
Net premium earned	6,692	6,266	+7%
Net underwriting result	(415)	(422)	n/m
Net investment income	1,011	1,022	(1%)
Operating result (EBIT)	576	573	+0%
Net income after minorities	238	222	+7%
Key ratios	**Q1 2017**	**Q1 2016**	**Change**
Combined ratio non-life insurance and reinsurance	96.3%	96.3%	0.0%pts
Return on investment	3.5%	3.7%	(0.2%)pts
Balance sheet	**Q1 2017**	**FY2016**	**Change**
Investments under own management	107,810	107,174	+1%
Goodwill	1,060	1,039	+2%
Total assets	160,061	156,571	+2%
Technical provisions	112,618	110,429	+2%
Total shareholders' equity	15,132	14,688	+3%
Shareholders' equity	9,368	9,078	+3%

Comments

- GWP markedly up by 8.4% y/y, slightly supported by currency tailwind (curr.-adj. GWP growth was 7.4%). Retail International and P/C Reinsurance were the main growth drivers, both contributing double-digit growth rates
- Combined ratio remained stable y/y at 96.3%. Cost ratio improved by 0.1%pts to 27.9%, while loss ratio was up by 0.3%pts to 68.6%. Industrial Lines (Q1 2017: 96.5% vs. Q1 2016: 97.6%) and Retail Germany (101.7% vs. 103.8%; adj. for KuRS cost: 99.2% vs. 101.6%) with improved combined ratios and overcompensating the higher combined ratio in Reinsurance. Retail International's combined ratio (96.6% vs. 96.2%) also somewhat up due to losses from wild fires in Chile
- Higher ordinary investment result, helped by better results from real estate and other alternative investments, largely compensating the lower extraordinary investment result
- Q1 2017 EBIT slightly up compared to an also loss-light Q1 2016. Net income benefitted from a lower tax rate, resulting from a higher pre-tax profit contribution from entities with below-average tax rates mainly in Industrial Lines and Retail International
- Shareholders' equity increased to €9,368m, or €37.06 per share (FY2016: €35.91; Q1 2016: €33.75). 2016 Solvency II ratio (excluding transitional) significantly improved by 15%pts y/y to 186% (FY2015: 171%, Q3 2016: 160%) – expected to have moved sideways in Q1 2017

Increased net income due to improved net underwriting result and increased profit from lower-taxed entities – improvement in Solvency II ratio (FY2016) to 186%

talanx.

I Large losses[1] in Q1 2017

€m, net		Primary Insurance	Reinsurance	Talanx Group
Storms/tornadoes; USA	January 2017	-	11.4	11.4
Wild fires; Chile	Jan./Feb. 2017	3.0	20.8	23.9
Cyclone „Debbie“; Australia	March 2017	-	50.0	50.0
Total NatCat		**3.0**	**82.2**	**85.2**
Transport		-	-	-
Fire/Property		16.2	30.8	47.0
Aviation		-	-	-
Credit		-	20.6	20.6
Other		-	-	-
Total other large losses		**16.2**	**51.5**	**67.7**
Total large losses		**19.2**	**133.7**	**152.9**
pro-rata large loss budget		72.5	170.3	242.8
Impact on Combined Ratio (incurred)		**1.2%pts**	**6.2%pts**	**4.0%pts**
Total large losses Q1 2016		67.1	55.5	122.5
Impact on Combined Ratio (incurred) Q1 2016		4.4%pts	2.8%pts	3.5%pts

- Group Q1 2017 large loss burden of €153m was above the level of Q1 2016 (€123m), but below the Q1 2017 pro-rata large loss budget of €243m
- Q1 2017 net burden of €19m in Primary and €134m in Reinsurance – the latter due to a mix of man-made and NatCat large losses, including cyclone „Debbie“ in Australia and wild fires in Chile
- Primary Insurance as well as Reinsurance remained well within their pro-rata large loss budgets (Primary Insurance: €73m; Reinsurance: €170m)

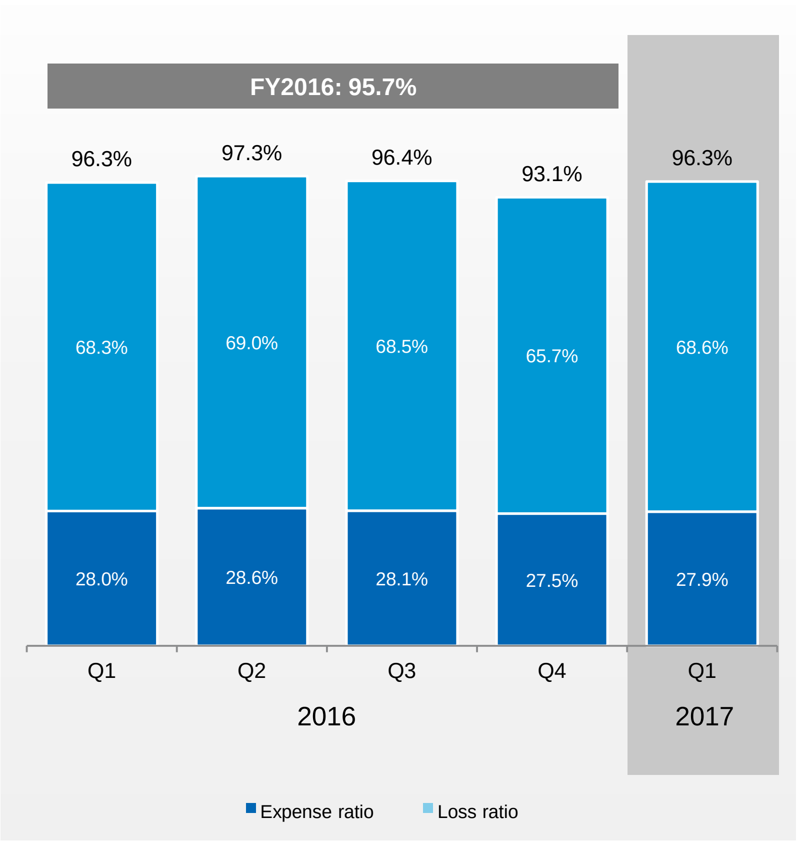
[1] Definition „large loss“: in excess of €10m gross in either Primary Insurance or Reinsurance

Note: : Q1 2017 Primary Insurance large losses (net) are split as follows: Industrial Lines: €16.2m; Retail Germany: €0m; Retail International: €3.0m, Corporate Operations: €0m; since FY2016 reporting onwards, the table includes large losses from Industrial Liability line, booked in the respective FY. Please also note that as long as large losses of the period are within the pro rata large loss budget, single segments book their resüective large loss budgets into their P&L statements.

talanx.

Combined ratios

Development of net combined ratio[1]



Combined ratio[1] by segment/selected carrier

	Q1 2017	Q1 2016	FY2016
Industrial Lines	**96.5%**	**97.6%**	**96.8%**
Retail Germany P/C	**101.7%**	**103.8%**	**103.3%**
Retail International	**96.6%**	**96.2%**	**96.5%**
HDI Seguros S.A., Brazil	102.0%	101.6%	102.1%
HDI Seguros S.A., Mexico	94.2%	92.0%	95.3%
HDI Seguros S.A., Chile[2]	97.7%	90.5%	88.7%
TUiR Warta S.A., Poland	95.6%	95.8%	96.1%
TU Europa S.A., Poland	87.1%	81.5%	83.0%
HDI Sigorta A.Ş., Turkey	102.1%	102.5%	102.5%
HDI Assicurazioni S.p.A., Italy	96.8%	96.4%	94.0%
Non-Life Reinsurance	**95.6%**	**94.7%**	**93.7%**

[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

Q1 2017 combined ratios in all P/C segments below the 100% level – also Retail Germany when adjusting for KuRS costs

talanx.

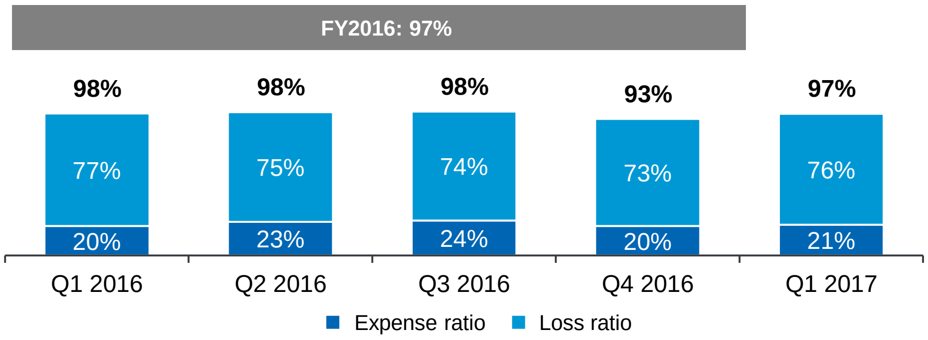
II

Segments – Industrial Lines

P&L for Industrial Lines

€m, IFRS	Q1 2017	Q1 2016	Δ
Gross written premium	**2,004**	**1,921**	**+4%**
Net premium earned	552	537	+3%
Net underwriting result	19	13	+46%
Net investment income	69	50	+38%
Operating result (EBIT)	**80**	**74**	**+8%**
Group net income	59	48	+23%
Return on investment (annualised)	3.5%	2.6%	+0.9%pts

Combined ratio[1]



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

Comments

- Q1 2017 GWP up by 4.3% y/y, helped by currency effects (curr.-adj.:+3.1%). Underlying growth effects from European markets like e.g. France as well as from US underwriting. Takeover of the motor fleet business from Retail Germany P/C had an impact of ~1%pts on the Q1 2017 GWP growth rate
- Slight increase in retention rate to 56.4% (Q1 2016: 55.5%), mainly due to above-average growth in lines with generally higher retention (e.g. transport) and some higher retention rate in Liability business
- Q1 2017 combined ratio improved to 96.5% (Q1 2016: 97.6%) as large losses remained within their budget. While the loss ratio was 1.4%pts down y/y at 75.9%, the cost ratio was slightly higher (Q1 2017: 20.6% vs. Q1 2016: 20.2%), mainly due to higher project cost
- Net investment result improved. This was partly due to a higher extraordinary investment result. However, also the ordinary investment result was up, helped by improved result from investments in private equity vehicles
- Insignificant reserving impact from Ogden tables
- EBIT is negatively impacted by a weaker currency result in the „other result“. At the bottom line this is partly compensated by a lower tax rate due to above-average profit contribution from lower-taxed entities

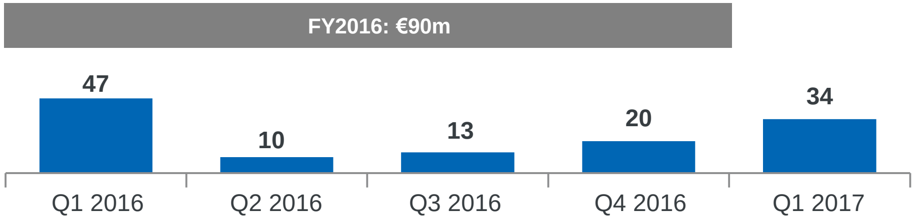
Improved net underwriting result and higher investment income led to increased profitability

II Segments – Retail Germany Division

P&L for Retail Germany

€m, IFRS	Q1 2017	Q1 2016	Δ
Gross written premium	**1,906**	**1,904**	**+0%**
of which Life	1,147	1,155	(1%)
of which Non-Life	759	749	+1%
Net premium earned	1,184	1,217	(3%)
Net underwriting result	(422)	(478)	n/m
of which Life	(417)	(465)	n/m
of which Non-Life	(6)	(13)	n/m
Net investment income	460	535	(14%)
Operating result (EBIT)	**34**	**47**	**(27%)**
Group net income	19	29	(35%)
Return on investment (annualised)	3.7%	4.5%	(0.8%)pts

EBIT (€m)



Comments

- Having started 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
- Q1 2017 GWP was flat y/y as the effect from a slight top line decline in the Life segment (Q1 2017: -0.7%) is fully compensated by a 1.3% increase in P/C gross premiums
- Improvement in the net underwriting result was backed by both segments: While P/C reported some improvement of its combined ratio, the Life segment benefited from a lower RfB contribution, resulting from lower extraordinary investment gains, the latter predominantly to finance the ZZR
- Cost impact from KuRS affected the Division by a total of ~€12m (Q1 2016: ~€10m). The impact of costs on the Q1 2017 EBIT was ~€9m (Q1 2016: ~€8m). Impact from KuRS costs on net income was ~€6m (Q1 2016: ~€5m)
- EBIT impacted by higher RfB allocation due to pass-through of tax benefits to policyholders in Life. Nevertheless, divisional tax ratio up

EBIT impacted by higher RfB allocation due to pass-through of tax benefits to Life policyholders

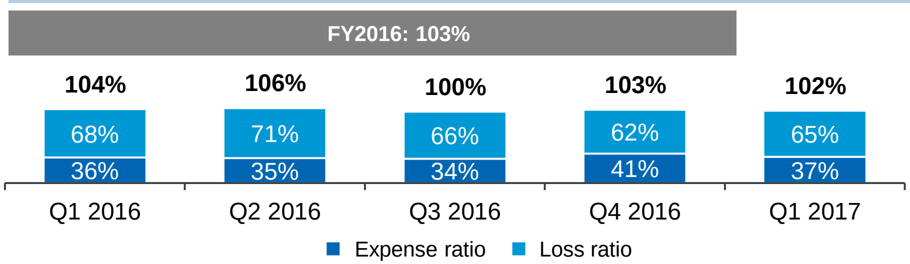
talanx.

Segments – Retail Germany P/C

P&L for Retail Germany P/C

€m, IFRS	Q1 2017	Q1 2016	Δ
Gross written premium	**759**	**749**	**+1%**
Net premium earned	340	341	(1%)
Net underwriting result	(6)	(13)	n/m
Net investment income	25	22	+11%
Operating result (EBIT)	**13**	**5**	**+137%**
EBIT margin	3.8%	1.6%	2.2%pts
Investments under own Management	3,990	4,027	(1%)
Return on investment (annualised)	2.5%	2.3%	0.2%pts

Combined ratio[1]



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

Comments

- Premium decline stopped: Q1 2017 GWP up y/y, mainly due to continuing growth effects from SMEs and self-employed professionals as well as unemployment insurance products. In Motor, growth contribution from digital distribution ("direct business") nearly compensated the effect from the shift of the fleet business towards the Industrial Lines segment
- Better claims experience led to an improvement of the combined ratio in Q1 2017. The latter was impacted by ~€8m costs for KuRS programme (Q1 2016 impact was also ~€8m). Adjusting for KuRS, the Q1 2017 combined ratio reached 99.2% (Q1 2016: 101.6%)
- Impact from ordinary investment income was stable, while extraordinary investment result slightly improved but without major overall impact. As a consequence, Q1 2017 RoI improved to 2.5% (Q1 2016: 2.3%)
- Overall, Q1 2017 EBIT was burdened by ~€9m (Q1 2016: €8m) costs for KuRS; the impact of KuRS on "other result" was limited (~€1m) as personnel redundancy cost have been fully booked until 2016

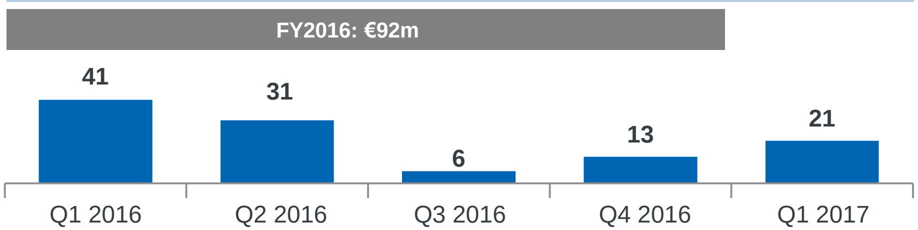
Top-line growth, improvement in underwriting result and slightly higher net investment income lead to improvement in EBIT

II Segments – Retail Germany Life

P&L for Retail Germany Life

€m, IFRS	Q1 2017	Q1 2016	Δ
Gross written premium	**1,147**	**1,155**	**(1%)**
Net premium earned	844	876	(4%)
Net underwriting result	(416)	(465)	n/m
Net investment income	435	513	(15%)
Operating result (EBIT)	**21**	**41**	**(49%)**
EBIT margin	2.5%	4.7%	(2.2%)pts
Investments under own Management	45,483	44,886	+1%
Return on investment (annualised)	3.9%	4.7%	(0.8%)pts

EBIT (€m)



Comments

- Very moderate decline in GWP (Q1 2017: -0.7% y/y) as effects from the targeted phase-out of traditional/single-premium business were broadly compensated by growth effects from credit life insurance business. Some higher decline in net premiums earned due to above-average deferred credit life premiums related to coming quarters
- ~€3m cost impact from KuRS – completely compensated in the EBIT due to policyholder participation
- Investment result is significantly lower compared to Q1 2016. This is due to lower extraordinary gains mainly being used to finance ZZR. Ordinary investment result is up by roughly 4% thanks to higher ordinary income from real estate and other alternative investments
- Q1 2017 ZZR allocation – according to HGB - of €207m (Q1 2016: €168m). Total ZZR stock reached €2.48bn in Q1 2017, expected to rise to ~€3.1bn until year-end 2017
- EBIT impacted by higher RfB allocation due to pass-through of tax benefits to policyholders

Top-line stabilised – EBIT impacted by higher RfB allocation due to pass-through of tax benefits to policyholders

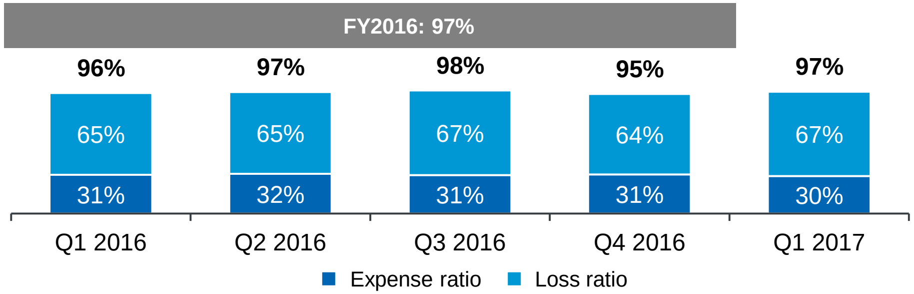
talanx.

II Segments – Retail International

P&L for Retail International

€m, IFRS	Q1 2017	Q1 2016	Change
Gross written premium	**1,483**	**1,148**	**+29%**
of which Life	549	390	+41%
of which Non-Life	934	758	+23%
Net premium earned	1,217	986	+23%
Net underwriting result	7	8	(13%)
of which Life	(18)	(16)	n/m
of which Non-Life	25	24	+4%
Net investment income	87	80	+9%
Operating result (EBIT)	**63**	**61**	**+3%**
Group net income	40	36	+11%
Return on investment (annualised)	3.7%	4.0%	(0.3%)pts

Combined ratio[1]



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

Comments

- Q1 2017 GWP significantly up by 29% y/y also helped by tailwind from currencies in Brazil and Chile (curr.-adj.:+25.8%) and the consolidation of CBA/Italy since Q3 2016 (GWP impact €148m). All core markets grew their top line, in local currency as well as in €-terms. Mexico, Poland and Turkey even with significant double-digit underlying growth rates
- P/C business grew by 23% in Q1 2017 y/y. Currency-adjusted, top line in P/C grew by 18.4% y/y, mainly backed by double digit growth rates in Poland, Mexico and Turkey and a high single digit growth rate in Chile
- Q1 2017 combined ratio slightly up by 0.4%pts y/y to 96.6%. Increase in loss ratio by 2%pts to 66.9% due to higher theft rates in Brazil, higher prices for spare parts namely in Mexico and wild fires in Chile. This is widely compensated by a 1.6%pts decline in the cost ratio predominantly due to cost optimisation measures in Poland and in Brazil
- EBIT up despite an overall negative currency influence (~€1m) and the impact from wild fires in Chile (~€3m), while additional EBIT contribution from CBA Vita was ~€2m
- Turkey added €1.4m to Q1 2017 EBIT (stable vs. Q1 2016). Contribution from Chile was €83m GWP (Q1 2016: €69m) and €3.1m in terms of EBIT (€4.6m)

First quarter 2017 showed strong top-line growth and slight improvement in EBIT

talanx.

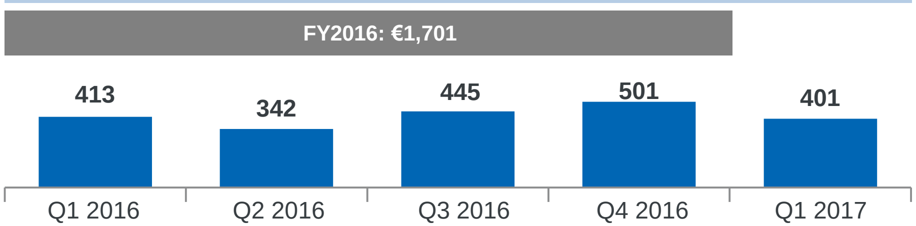
II

Segments – Reinsurance Division

P&L for Reinsurance

€m, IFRS	Q1 2017	Q1 2016	Change
Gross written premium	4,547	4,263	7%
Net premium earned	3,733	3,542	5%
Net underwriting result	**(23)**	**32**	**n/m**
Net investment income	398	370	8%
Operating result (EBIT)	**401**	**413**	**(3%)**
Group net income	132	142	(7%)
Return on investment	3.1%	3.0%	0.1%pts

EBIT (€m)



Comments

- The Division Reinsurance combines the two segments P/C Reinsurance and Life/Health Reinsurance. Since the FY2016 reporting we additionally show the aggregated numbers for the Reinsurance Division
- Q1 2017 GWP up by 6.6% y/y; adjusted for currency effects: +5.9%. Net premium is up by 5.4% on a reported basis and grew by 4.3% on a currency-adjusted basis
- RoI slightly up by 0.1%pts y/y to 3.1% in Q1 2017; ordinary investment income higher mainly due to private equity and real estate investments
- Good EBIT net income driven by strong investment performance and favourable P/C underwriting result.
- Q1 2017 EBIT margin[1] of 10.7% (Q1 2016: 11.7%)

[1] EBIT margin reflects a Talanx Group view;
Note: Differences between figures from Reinsurance Division and Hannover Re reporting may occor due to different recognition of common private equity investments. At Talanx, they are fully consolidated due to Hannover Re's majority stakes.

Favourable start into 2017, in line with targets

III Net investment income

Net investment income Talanx Group

€m, IFRS	Q1 2017	Q1 2016	Change
Ordinary investment income	**867**	**783**	**+11%**
thereof current investment income from interest	705	690	+2%
thereof profit/loss from shares in associated companies	5	2	+218%
Realised net gains/losses on investments	137	221	(38%)
Write-ups/write-downs on investments	(32)	(40)	n/m
Unrealised net gains/losses on investments	24	31	(21%)
Investment expenses	(54)	(55)	n/m
Income from investments under own management	**943**	**941**	**+0%**
Income from investment contracts	**(1)**	**2**	**n/m**
Interest income on funds withheld and contract deposits	**69**	**79**	**(13%)**
Total	**1,011**	**1,022**	**(1%)**

Comments

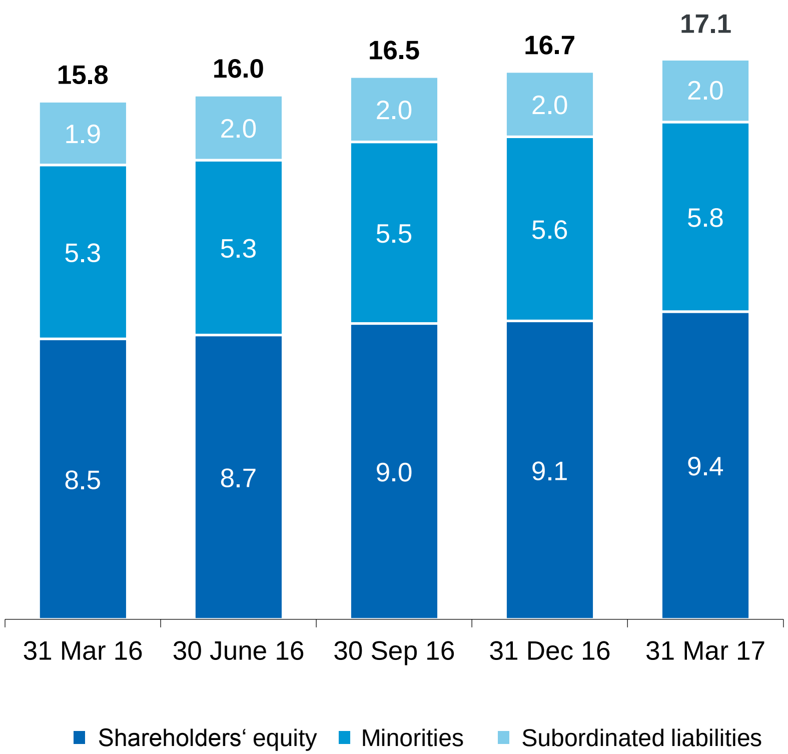
- Ordinary investment income up, also driven by distributions in real estate and other alternative investments
- Realised investment net gains about ~€80m lower y/y to €137m in Q1 2017, as increased ZZR is partly financed by extraordinary operating gains. Q1 2017 ZZR allocation: €207m vs. Q1 2016: €168m; under German GAAP only)
- Investment writedowns lower compared to Q1 2016, remaining on a very moderate level
- Q1 2017 RoI at 3.5% - slightly lower compared to the previous year (Q1 2016: 3.7%) and predominantly due to lower realised gains on investments. Well on track to reach FY2017 outlook of "at least 3.0%"
- Impact from ModCo derivatives was limited at €1m in Q1 2017 vs. Q1 2016: -€1m. There is no impact from inflation swaps anymore as these have been terminated already FY2015

Q1 2017 RoI of 3.5% at sufficient level - well on track to reach FY2017 Outlook of "at least 3.0%"

talanx.

III Equity and capitalisation – Our equity base

Capital breakdown (€bn)



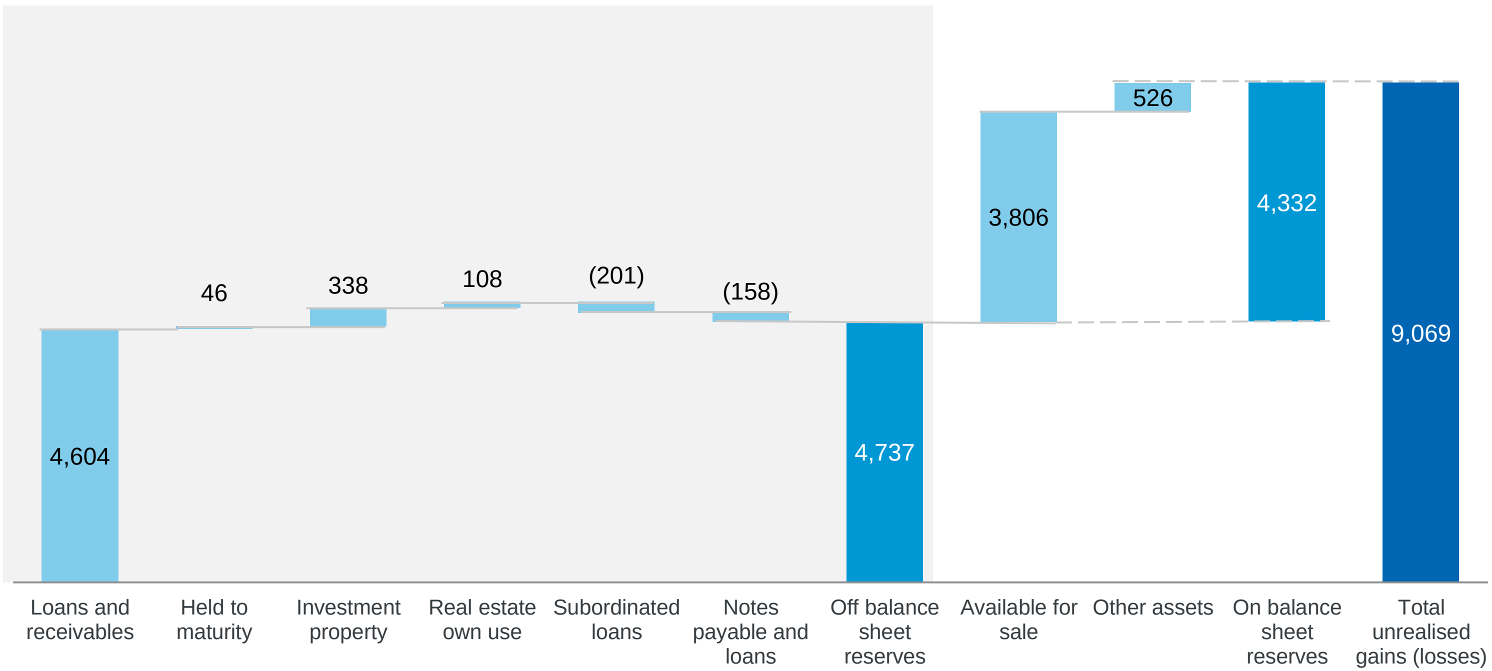
Comments

- Compared to the end of FY2016, shareholders' equity increased by €290m to €9,368m at the end of Q1 2017, predominantly driven by the contribution from net income (€238m). Limited effect on OCI from the change in currency effects, but also from interest rates
- Book value per share stood at €37.06 compared to €35.91 in FY2016 and €33.75 in Q1 2016. NAV per share was €32.86 (FY2016: €31.80; Q1 2016: 29.64)
- Neither book value per share nor NAV contain off-balance sheet reserves. These amounted to €382m (see next page), or €1.51 per share (shareholder share only). This would add up to an adjusted book value of €38.57 per share and an adjusted NAV (excluding goodwill) of €34.37

Shareholders' equity up by €290m compared to end of FY2016

III Equity and capitalisation – Unrealised gains

Unrealised gains and losses (off and on balance sheet) as of 31 March 2017 (€m)



	Loans and receivables	Held to maturity	Investment property	Real estate own use	Subordinated loans	Notes payable and loans	Off balance sheet reserves	Available for sale	Other assets	On balance sheet reserves	Total unrealised gains (losses)
31 Dec 16	4,928	47	333	104	(296)	(168)	4,948	4,191	528	4,718	9,666

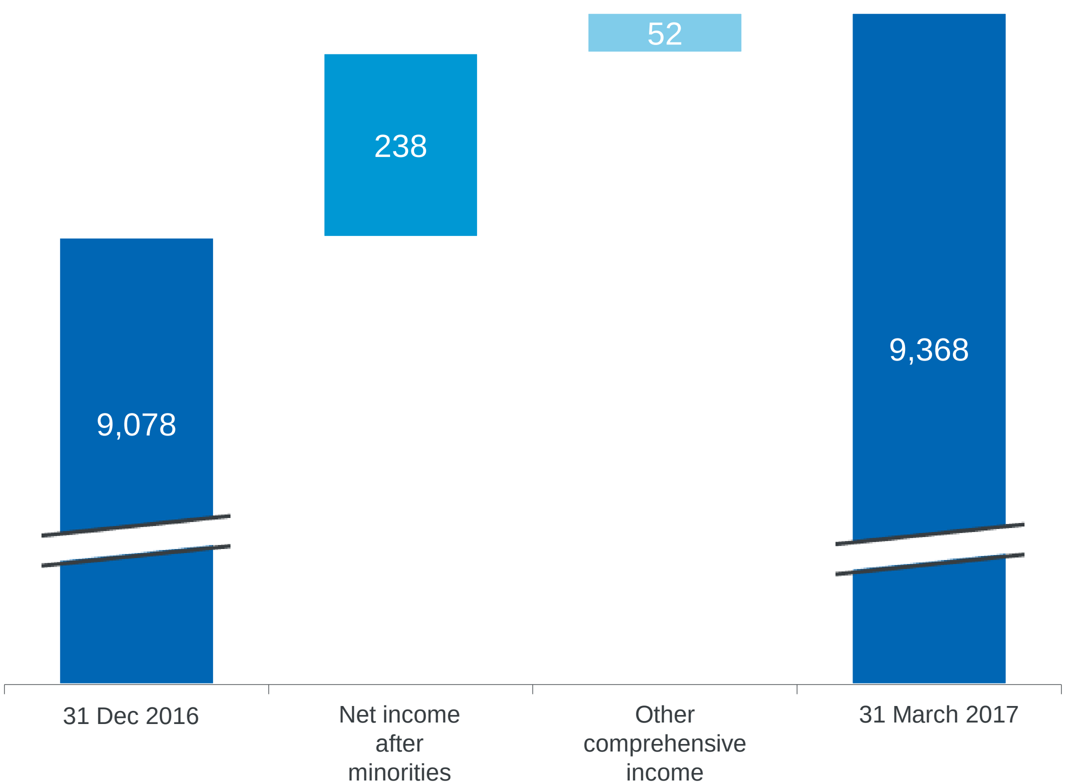
Δ market value vs. book value

Note: Shareholder contribution estimated based on FY2015 profit sharing pattern

Off-balance sheet reserves of ~€4.7bn – €382m (€1.51 per share) attributable to shareholders (net of policyholders, taxes & minorities)

III Equity and capitalisation – Contribution to change in equity

In €m



Comments

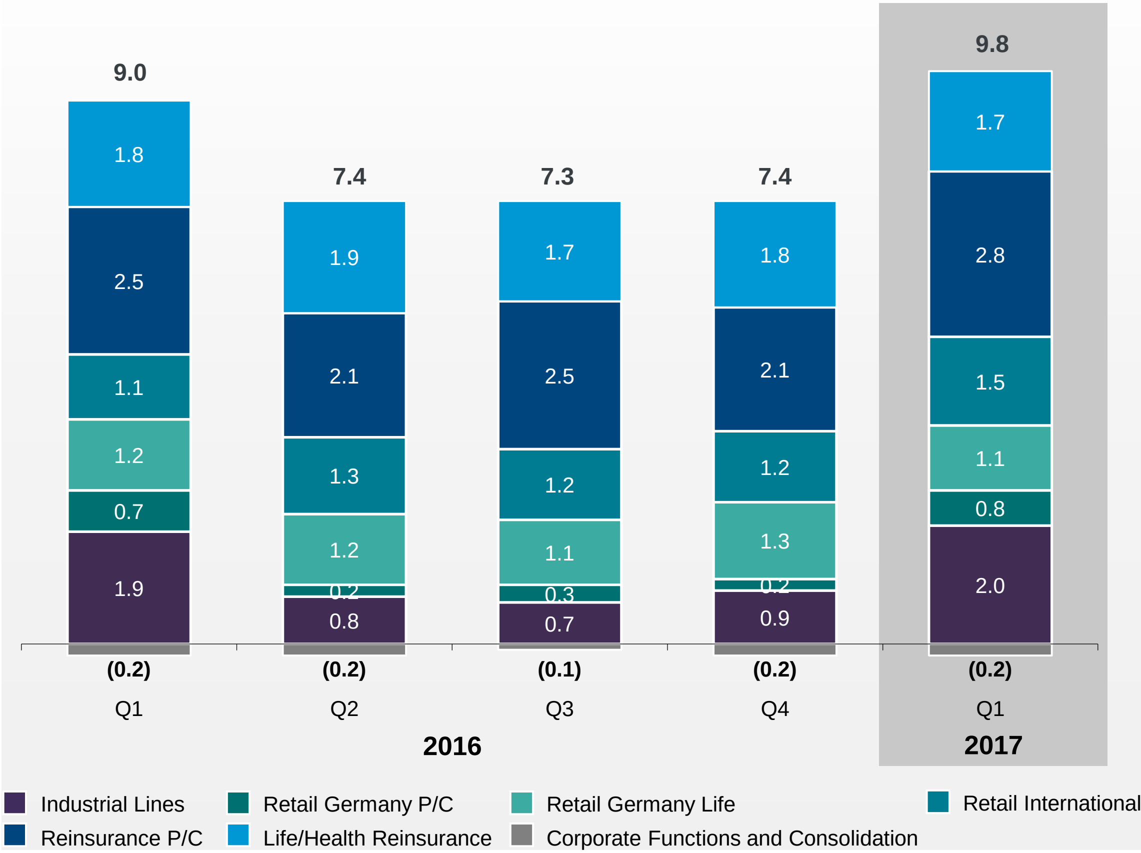
- At the end of Q1 2017, shareholders' equity stood at €9,368m, or €37.06 per share
- This was €290m above the level at the end of FY2016 (€9,078m or €35.91 per share), predominantly driven by the Q1 2017 Group net income
- At the end of FY2016, the Solvency II Ratio (Solvency II view, HDI Group level) stood at 186% (FY2015: 171%; Q3 2016: 160%)
- Based on Basic Own Funds, so taking the full internal model into account, Talanx's capitalisation was 264% (FY2015: 253%; Q3 2016: 239%) – all numbers before transitional

Shareholders' equity up to €9,368m, or €37.06 per share (FY2016: €9,078m)

talanx.

A Q1 2017 Additional Information – GWP trend

GWP development (€bn)



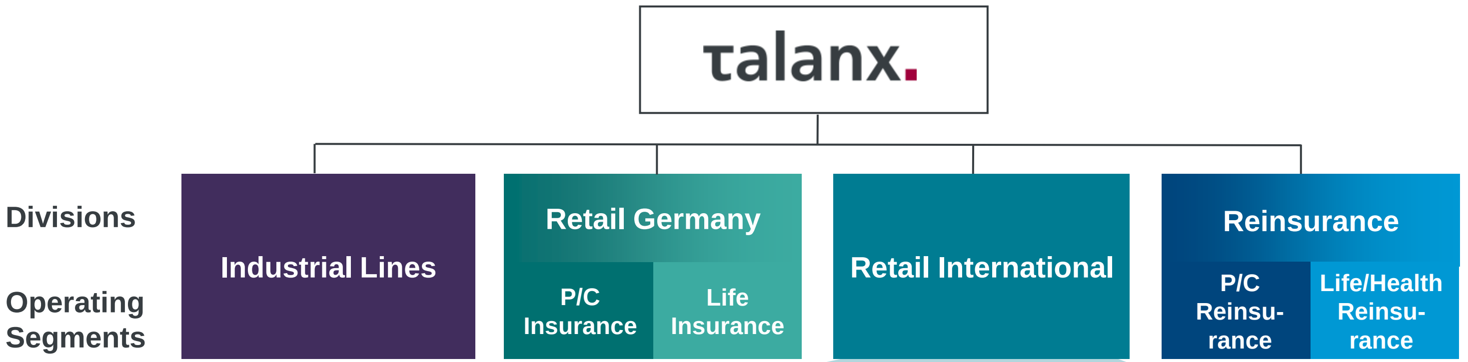
Comments

- Q1 2017 GWP were significantly up (+8.4%), somewhat helped by currency effects (curr.-adj.: +7.4%)
- Retail International and Industrial Lines were the main drivers of growth
- Retail International helped by consolidation effect from CBA/Italy (from 30 June 2016), explaining ~50% of the segment‘s GWP growth
- Overall, seasonal pattern remains intact

Q1 2017 GWP significantly up due to strong contribution from Retail International and Industrial Lines

A 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 report separate P&Ls (incl. EBIT) since the 6M 2016 reporting[1]
- In addition, Talanx continues 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“.

A Q1 2017 Additional Information – Segments

€m, IFRS	Industrial Lines			Retail Germany P/C			Retail Germany Life		
	Q1 2017	Q1 2016	Change	Q1 2017	Q1 2016	Change	Q1 2017	Q1 2016	Change
P&L									
Gross written premium	2,004	1,921	+4%	759	749	+1%	1,147	1,155	(1%)
Net premium earned	552	537	+3%	340	342	(1%)	844	876	(4%)
Net underwriting result	19	13	+43%	(6)	(13)	n/m	(416)	(465)	n/m
Net investment income	69	50	+39%	24	22	+11%	435	513	(15%)
Operating result (EBIT)	80	74	+9%	13	5	+137%	21	41	(49%)
Net income after minorities	59	48	+23%	n/a	n/a	n/a	n/a	n/a	n/a
Key ratios									
Combined ratio non-life insurance and reinsurance	96.5%	97.6%	(1.0%)pts	101.7%	103.8%	(2.1%)pts	-	-	-
Return on investment	3.5%	2.6%	0.9%pts	2.5%	2.3%	0.2%pts	3.9%	4.7%	(0.8%)pts

talanx.

A Q1 2017 Additional Information – Segments (continued)

€m, IFRS	Retail International Q1 2017	Retail International Q1 2016	Retail International Change	P/C Reinsurance Q1 2017	P/C Reinsurance Q1 2016	P/C Reinsurance Change	Life and Health Reinsurance Q1 2017	Life and Health Reinsurance Q1 2016	Life and Health Reinsurance Change	Group Q1 2017	Group Q1 2016	Group Change
P&L												
Gross written premium	1,484	1,148	+29%	2,815	2,502	+13%	1,732	1,761	(2%)	9,752	8,995	+8%
Net premium earned	1,217	986	+23%	2,166	1,961	+10%	1,567	1,581	(1%)	6,692	6,266	+7%
Net underwriting result	7	8	(13%)	91	100	(9%)	(114)	(68)	n/m	(415)	(422)	n/m
Net investment income	87	80	+9%	250	213	+17%	148	157	(6%)	1,011	1,022	(1%)
Operating result (EBIT)	63	61	+3%	315	310	+2%	86	103	(17%)	576	573	+1%
Net income after minorities	40	36	+11%	n/a	n/a	n/a	n/a	n/a	n/a	238	222	+7%
Key ratios												
Combined ratio non-life insurance and reinsurance	96.6%	96.2%	0.4%pts	95.6%	94.7%	0.9%pts	---	---	---	96.3%	96.3%	0.0%pts
Return on investment	3.7%	4.0%	(0.3%)pts	3.0%	2.8%	0.2%pts	3.6%	3.6%	0.0%pts	3.5%	3.7%	(0.2%)pts

talanx.

A Q1 2017 Additional Information – GWP of main risk carriers

Retail Germany

GWP, €m, IFRS	Q1 2017	Q1 2016	Change
Non-life Insurance	**759**	**749**	**+1%**
HDI Versicherung AG	709	712	(0%)
Life Insurance	**1,147**	**1,155**	**(1%)**
HDI Lebensversicherung AG	454	473	(4%)
neue leben Lebensversicherung AG[1]	188	206	(9%)
TARGO Lebensversicherung AG	308	248	+24%
PB Lebensversicherung AG	161	188	(14%)
Total	**1,906**	**1,904**	**+0%**

Retail International

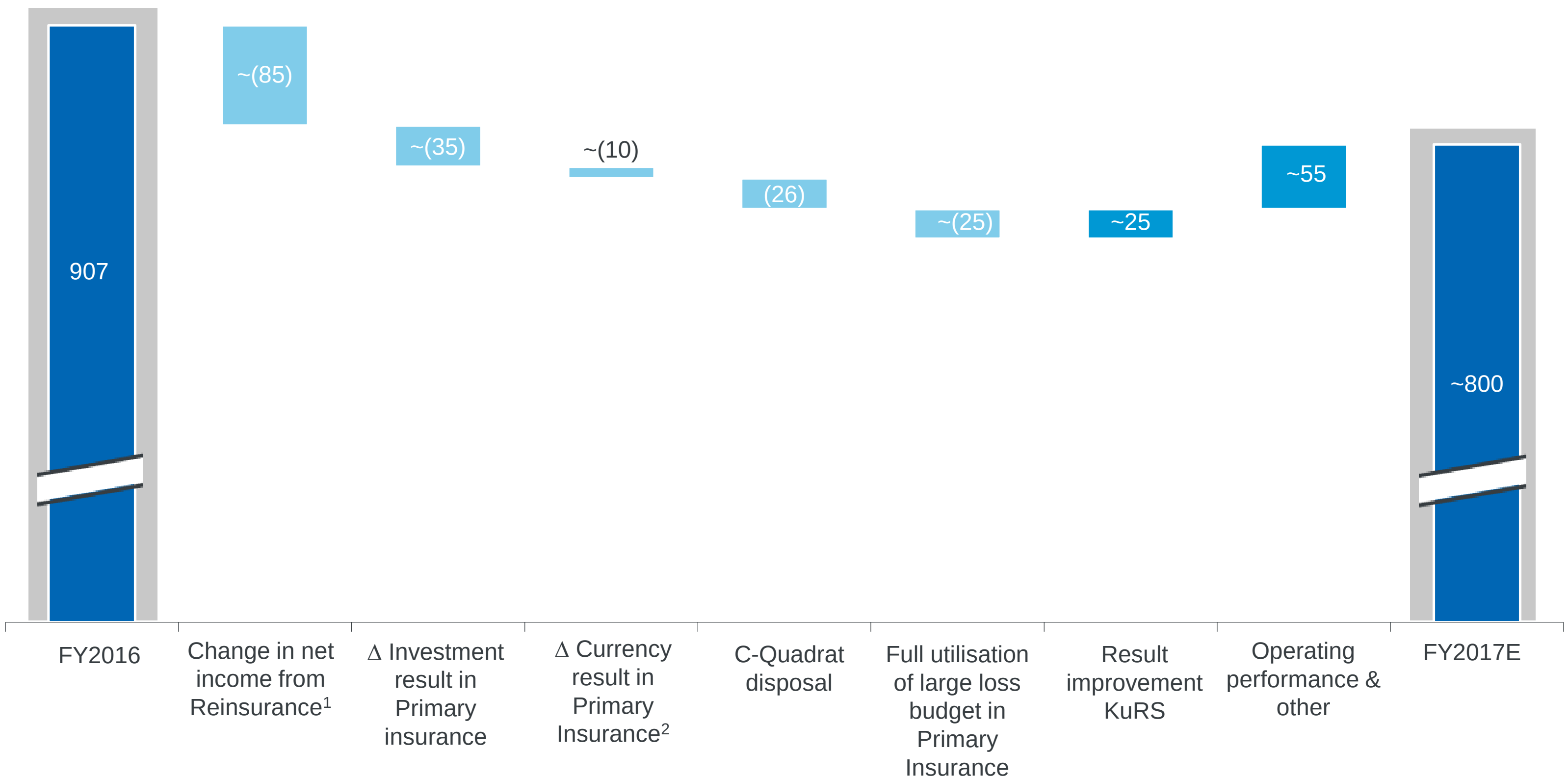
GWP, €m, IFRS	Q1 2017	Q1 2016	Change
Non-life Insurance	**934**	**758**	**+23%**
HDI Seguros S.A., Brazil	223	172	+30%
TUiR Warta S.A.[2], Poland	296	220	+35%
TU Europa S.A.[3], Poland	21	28	(25%)
HDI Assicurazioni S. p. A., Italy (P&C)	89	84	+6%
HDI Seguros S.A. De C.V., Mexico	76	57	+33%
HDI Sigorta A.Ş., Turkey	81	69	+17%
HDI Seguros S.A., Chile[4]	83	69	+20%
Life Insurance	**549**	**390**	**+41%**
TU Warta Zycie S.A., Poland[2]	47	40	+18%
TU Europa Zycie, Poland[3]	78	32	+144%
HDI Assicurazioni S. p. A., Italy (Life)	185	222	(17%)
Total	**1,483**	**1,148**	**+29%**

[1] Talanx ownership 67.5%
[2] Talanx ownership of 75.74%
[3] Talanx ownership 50% + 1 share
[4] incl. Magallanes Generales; merged with HDI Seguros S.A. from 1 April 2016

talanx.

A Outlook for Talanx Group FY 2017 – Expected change factors in Group net income

in €m



[1] According to Hannover Re guidance (after Talanx's minorities)
[2] In case of neutral currency result booked in "other result"

Expected operating inprovement in Primary Insurance (incl. KuRS effects) likely to be overcompensated by lower investment result and guided profit decline in Reinsurance

talanx.

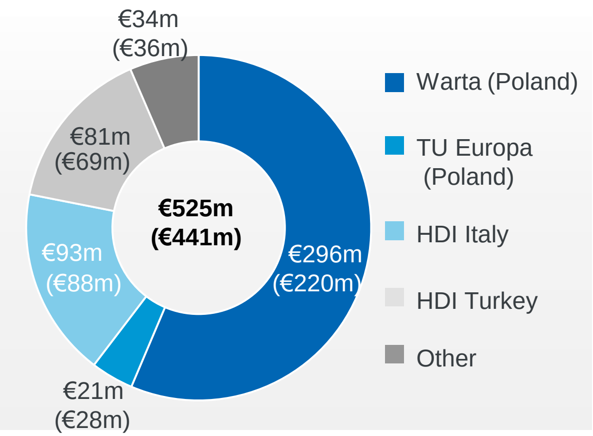
A

Q1 2017 Additional Information – Retail International Europe: Key financials

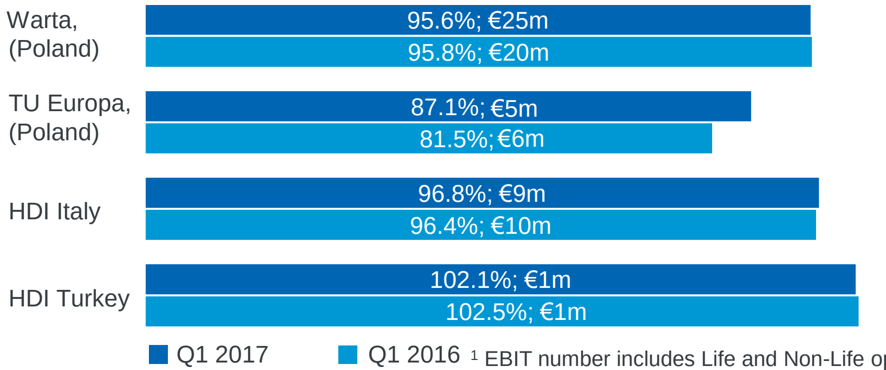
P&L for Retail International Europe

€m, IFRS	Q1 2017	Q1 2016	Δ
Gross written premium	**1,064**	**817**	**+30%**
Net premium earned	856	685	+25%
Net underwriting result	(1)	1	n/m
Net investment income	60	60	+1%
Operating result (EBIT)	**47**	**47**	**+1%**

GWP split by carriers (P/C)

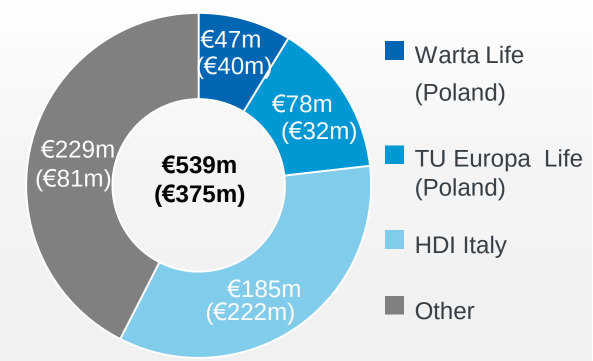


Combined ratio and EBIT[1] by selected carrier



1 EBIT number includes Life and Non-Life operations

GWP split by carriers (Life)



Strong top line improvement due to growth effects mainly from Poland – EBIT flat

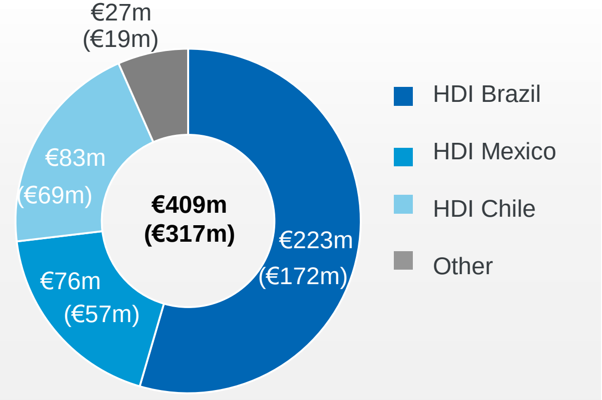
talanx.

A Q1 2017 Additional Information – Retail International LatAm: Key financials

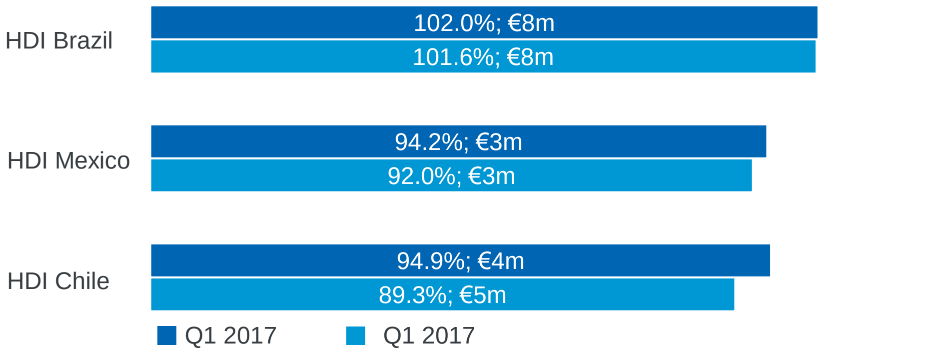
P&L for Retail International LatAm

€m, IFRS	Q1 2017	Q1 2016	Δ
Gross written premium	**414**	**325**	**+28%**
Net premium earned	361	301	+20%
Net underwriting result	2	7	(77%)
Net investment income	28	21	+30%
Operating result (EBIT)	**15**	**16**	**(11%)**

GWP split by carriers (P/C)

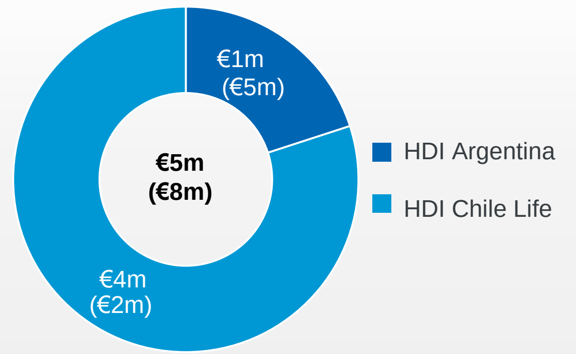


Combined ratio and EBIT[1] by selected carrier



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

GWP split by carriers (Life)



Improving top line momentum – EBIT negatively impacted by wild fires in Chile

talanx.

A Retail International – Core Markets: Q1 2017 overview

Brazil

GWP growth (local currency)	+1.4%	
Combined ratio	102.0%	+0.3%pts
EBIT (€)	7.5m	(0.5%)

Mexico

GWP growth (local currency)	+46.4%	
Combined ratio	94.2%	+2.2%pts
EBIT (€)	2.6m	0.9%

Chile[1]

GWP growth (local currency)	+10.5%	
Combined ratio	97.7%	7.2%pts
EBIT (€)	4.1m	(26.6)%

Poland

GWP growth (local currency)	+38.3%	
o/w Life	+72.7%	
o/w Non-Life	+28.2%	
Combined ratio[2]	95.6%	(0.1%)pts
EBIT (€)	29.7m	10.3%
o/w Life	2.7m	11.8%
o/w Non-Life	27.1m	10.2%

Turkey

GWP growth (local currency)	+40.5%	
Combined ratio	102.1%	(0.4%)pts
EBIT (€)	1.4m	(2.1%)

[1] Includes all entities of HDI Chile Group operating in the Chilean market; Magallanes integrated in February 2015, Combined ratio for HDI Chile only

[2] Combined ratio for Warta only

Most of our core markets in Retail International with significant business growth

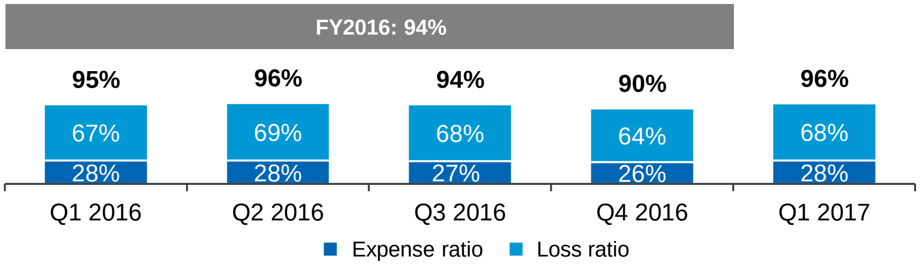
talanx.

A Segments – P/C Reinsurance

P&L for P/C Reinsurance

€m, IFRS	Q1 2017	Q1 2016	Change
Gross written premium	2,815	2,502	+13%
Net premium earned	2,166	1,961	+10%
Net underwriting result	**91**	**100**	**(9%)**
Net investment income	250	213	+17%
Operating result (EBIT)	**315**	**311**	**+2%**
Return on investment	3.0%	2.8%	+0.2%pts

Combined ratio[1]



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

Comments

- Q1 2017 GWP up by 12.5% y/y (adjusted for currency effects: +11.3%); growth mainly from Structured Reinsurance; diversified growth in Property Lines
- Net premium earned grew by +10.5% (curr.-adj.: +8.8%)
- Major losses of €134m below budget of €170m for Q1 2017 (6.2% of NPE); reserve increase due to Ogden tables of €126m, compensated by corresponding reserve releases
- Strong ordinary investment income driven by private equity and real estate investments
- Other result mainly impacted by negative currency effects
- Q1 2017 EBIT margin[2] of 14.6% (Q1 2016: 15.8%) well above target

[2] EBIT margins reflect a Talanx Group view

Attractive premium growth mainly driven by Structured Reinsurance

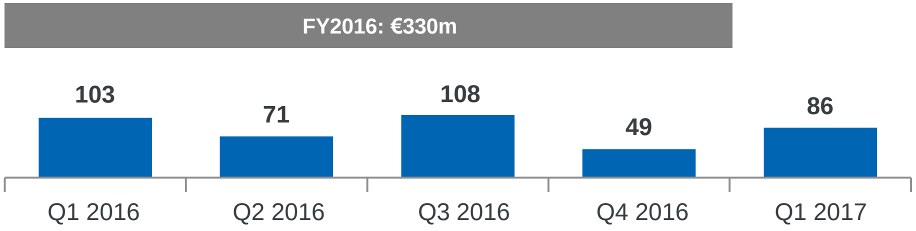
talanx.

A Segments – Life/Health Reinsurance

P&L for Life/Health Reinsurance

€m, IFRS	Q1 2017	Q1 2016	Change
Gross written premium	1,732	1,761	(2%)
Net premium earned	1,567	1,581	(1%)
Net underwriting result	**(114)**	**(68)**	**n/m**
Net investment income	148	157	(6%)
Operating result (EBIT)	**86**	**103**	**(17%)**
Return on investment	3.6%	3.6%	(0.0%)pts

EBIT (€m)



Comments

- Q1 2017 GWP -1.6% y/y, adjusted for currency effects also -1.7% y/y; reduced premium volume from large-volume treaties, partly offset by diversified growth in other areas
- Net premium earned down -0.9% y/y (curr.-adj.: -1.3%)
- Technical result impacted by legacy US mortality business
- Investment income in line with expectations
- Other result increased due to strong contribution from deposit accounted treaties (Q1 2017: €47m)
- Q1 2017 EBIT margin[1] of 5.5% (Q1 2016: 6.5%) for the segment

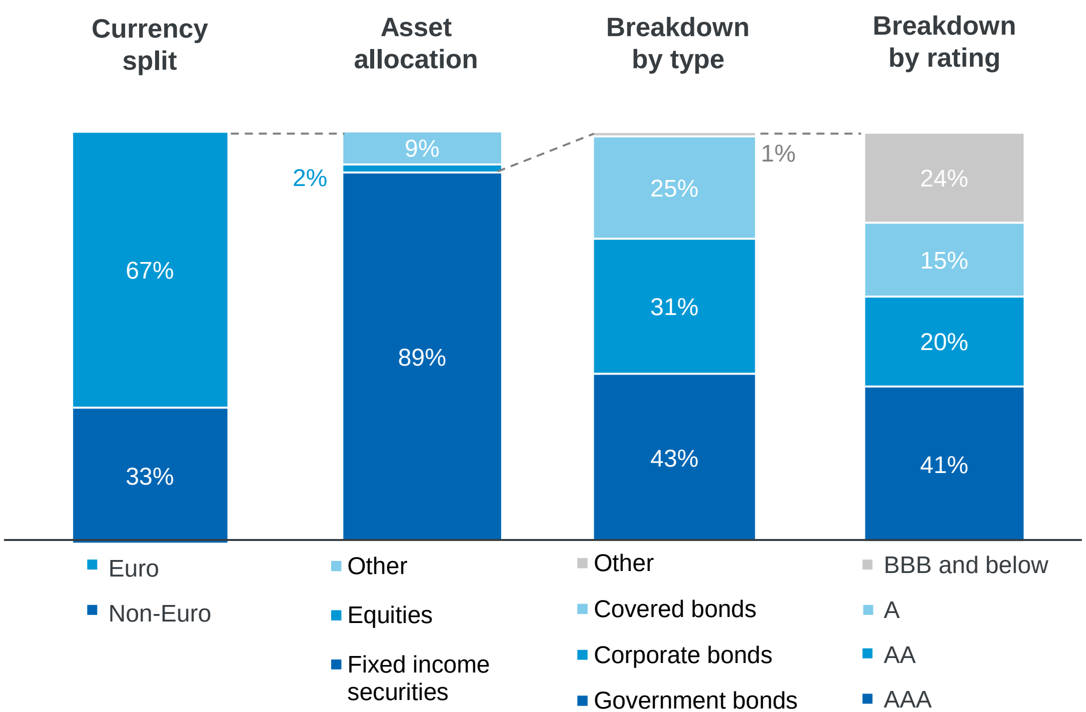
[1] EBIT margin reflects a Talanx Group view

Strong earnings contribution from Financial Solutions

talanx.

A Q1 2017 Additional Information – Breakdown of investment portfolio

Investment portfolio as of 31 Mar 2017 | **Fixed-income-portfolio split** | **Comments**



Total: €107.8bn **Total: €96.3bn**

Comments

- Investments under own management are slightly up to €107.8bn vs FY2016 (€107.2bn; Q1 2016: €101.9bn). This includes the €1.1bn from acquired CBA Vita/Italy (consolidation as of 30 June 2016)
- Investment portfolio remains dominated by fixed-income securities: portfolio share of 89% at the end of Q1 2017 (FY2016: 90%; Q1 2016: 90%)
- Share of fixed-income portfolio invested in "A" or higher-rated bonds unchanged vs. FY 2016 – and broadly stable over recent quarters (FY2016: 76%; Q1 2016: 78%)
- 20% of "investments under own management" held in USD, 33% overall in non-euro currencies (FY2016: 33%)

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

talanx.

A Q1 2017 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	2,296	-	630	668	401	-	**3,996**
Spain	BBB+	738	417	277	450	276	-	**2,158**
Brazil	BB	230	-	96	408	-	8	**741**
Mexico	BBB+	122	5	39	240	-	-	**406**
Hungary	BBB-	425	-	-	9	20	-	**454**
Russia	BB+	176	13	82	189	-	-	**460**
South Africa	BBB-	172	9	12	50	-	6	**249**
Portugal	BB+	41	-	4	74	10	-	**128**
Turkey	BB+	18	-	25	15	3	-	**60**
Greece	CCC	-	-	-	-	-	-	**-**
Other BBB+		13	-	33	57	-	-	**103**
Other BBB		82	38	49	63	-	-	**231**
Other <BBB		193	19	102	197	-	245	**756**
Total		**4,506**	**502**	**1,348**	**2,418**	**710**	**259**	**9,743**
In % of total investments under own management		4.2%	0.5%	1.3%	2.2%	0.7%	0.2%	**9.0%**
In % of total Group assets		2.8%	0.3%	0.8%	1.5%	0.4%	0.2%	**6.1%**

[1] Investment under own management

talanx.

A Risk Management 2016 - Essentials

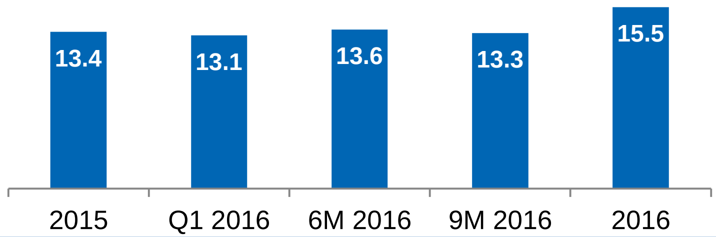
FY2016 Solvency II Ratio (excluding transitional) improved to 186% (FY2015: 171%) and is expected to have moved sideways in Q1 2017

More than 90% of Own Funds in the Solvency II View reflect unrestricted Tier 1 capital.
Tier 1 coverage of SCR has further improved and stands at a strong 173%

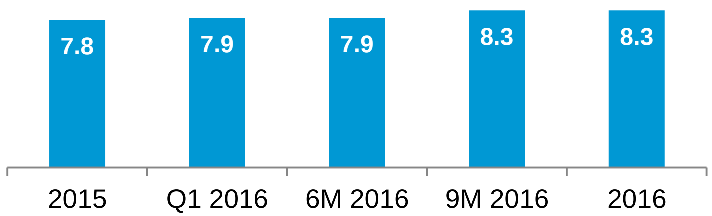
Stresses on interest rates, NatCat and equities with little impact on Solvency II Ratio - somewhat higher degree of sensitivity on credit spreads

A TERM 2016 - Result History (Solvency II View)

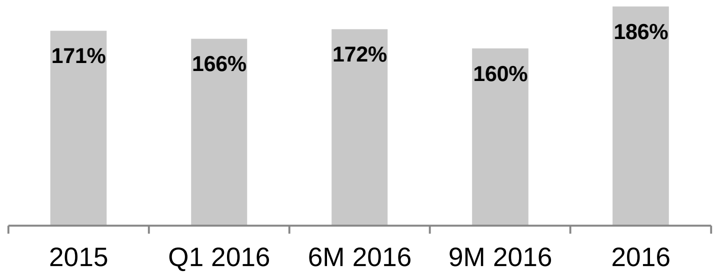
Eligible Own Funds (€bn)



Solvency Capital Required (€bn)



Solvency II Ratio



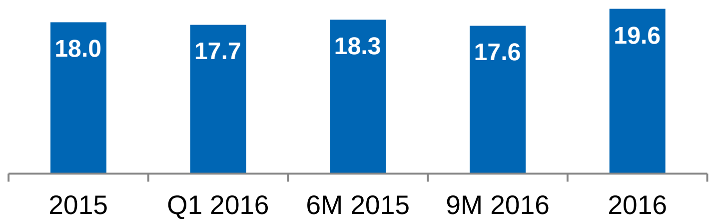
Comments

- Eligible Own Funds, i.e. Basic Own Funds (including hybrids and surplus funds as well as minority interests) with haircut on Talanx‘s minority holdings
- Compared to the Economic View (BOF CAR), the higher level of the SCR reflects the measurement of operational risks by means of the standard formula
- Improvement of Solvency II Ratio was driven by a strong increase of Eligible Own Funds mainly driven by retained earnings and by lower credit spreads

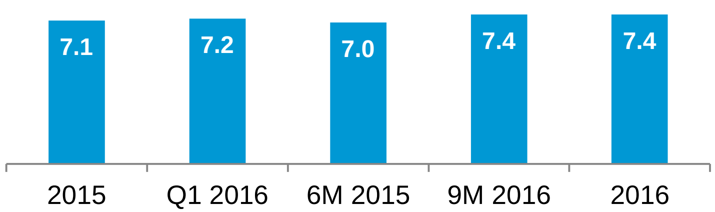
Solvency II Ratio materially improved despite the low-interest environment

TERM 2016 - Result History (Economic View, based on Basic Own Funds)

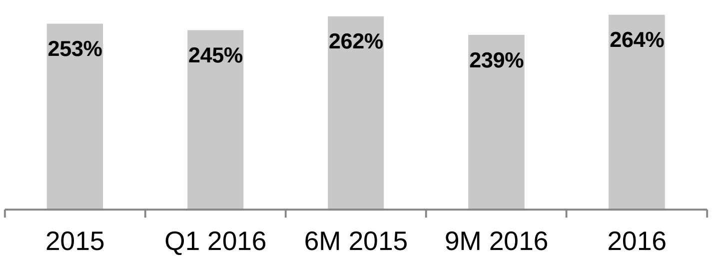
Basic Own Funds (€bn)



Solvency Capital Required (€bn)



Capital Adequacy Ratio (CAR)



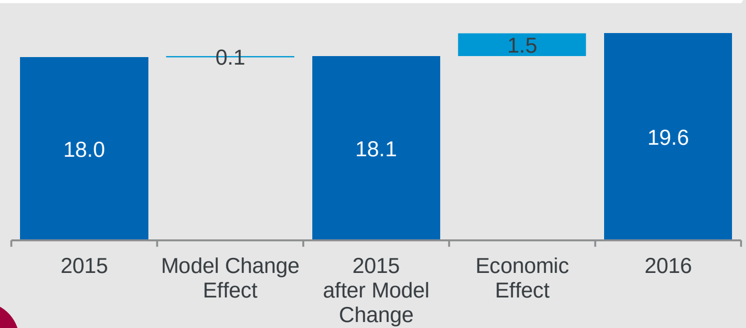
Comments

- Basic Own Funds (including hybrids and surplus funds as well as non-controlling interests)
- The respective CAR (99.5% confidence level) stands at a comfortable 264%
- This concept is used for risk budgeting and steering at Talanx as it best reflects the economic capital position of the Group
- Higher Basic Own Funds overcompensate a slightly increased SCR which has proven very stable over the entire period

Capital Adequacy Ratio is up by 11%pts year-on-year

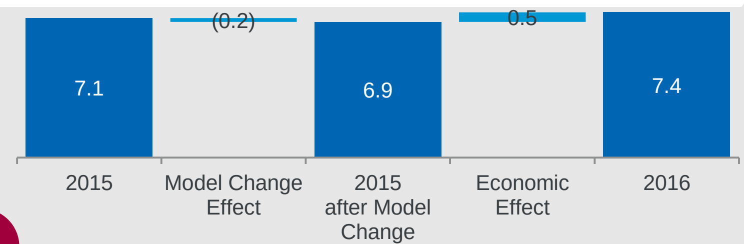
A TERM 2016 – Analysis of Change (Economic View)

Basic Own Funds (€bn)



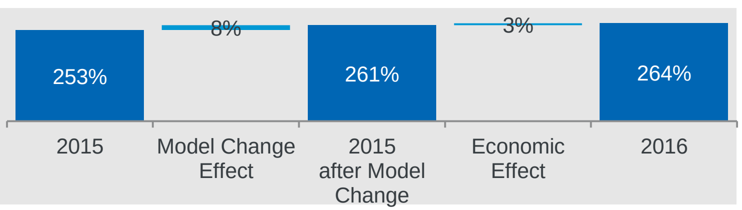
÷

Solvency Capital Required (€bn)



=

Capital Adequacy Ratio (CAR)



Model Change Effect (Basic Own Funds)

- Interest rate calibration
- Reinsurance default model

Economic Effect (Basic Own Funds)

- Increase in IFRS equity driven by retained earnings, spread and currency movements
- Interest rate development
- Allowance on intercompany effects in asset cost and reinsurance recoverable
- More conservative mgmt. assumptions in Life

Model Change Effect (Solvency Capital Required)

- Interest rate volatility calibration
- Reinsurance default model

Economic Effect (Solvency Capital Required)

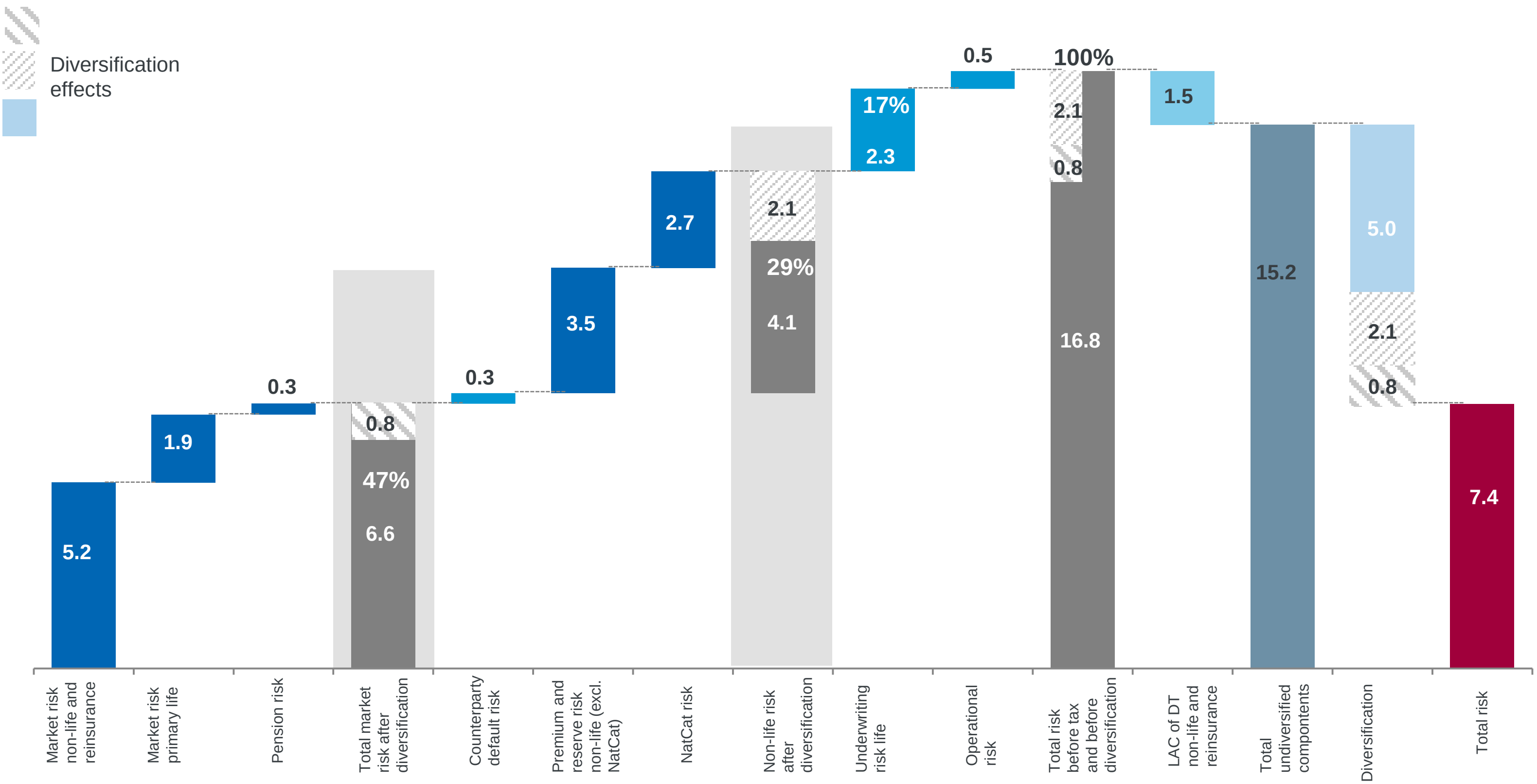
- Higher exposures, i.e. higher rate, credit, equity and foreign exchange rate risk
- Increase of natural catastrophic risk due to larger capacities in Reinsurance

detrimental impact
moderately negative impact
favourable impact

Model robustness has materially improved

A Solvency capital requirement split into components

Risk components of Talanx Group[1] (€bn)



[1] Figures show risk categorisation of the Talanx Group including non-controlling interests. Solvency capital requirement determined according to 99.5% security level for the Economic View, based on Basic Own Funds (BOF)

Significant diversification between risk categories – market risk remains below 50% threshold

A TERM 2016 – From IFRS equity to Eligible Own Funds

Talanx level | **HDI level** | **Terminology**

in €m

	IFRS total equity	**14,688**
	Goodwill & Intangible assets	-1,938
	Valutaion adjustments (Goodwill & Intangible assets)	3,729
	Surplus funds (before minorities)	1,603
=	**Excess of assets over liabilities (EAoL)**	**18,082**
	Subordinated liabilitites (before minorities)	2,208
	Own shares	0
	Foreseeable dividends & distribution	-722
=	**Basic Own Funds (Talanx) excluding Transitional measure**	**19,569**

HDI V.a.G	1,257
Basic own funds HDI before deductions (BOF)	**20,826**
Total of non-available own fund items	-5,370
Other	-17
Ancillary own funds	0
Own funds for FCIIF, IORP and entities included	109
Total available own funds (AOF)	**15,547**
Effects from tiering	0
Total eligible own funds (EOF)	**15,547**

BOF CAR =
19,569 / 7,406 = 264%
(BOF/SCR_{BOF})

Economic View

SII Ratio =
15,547 / 8,346 = 186%

Solvency II View

FCIIF – Financial Credit Institutions and Investmend Firms
IORP – Insitutions for Occupational Retirement Provisions

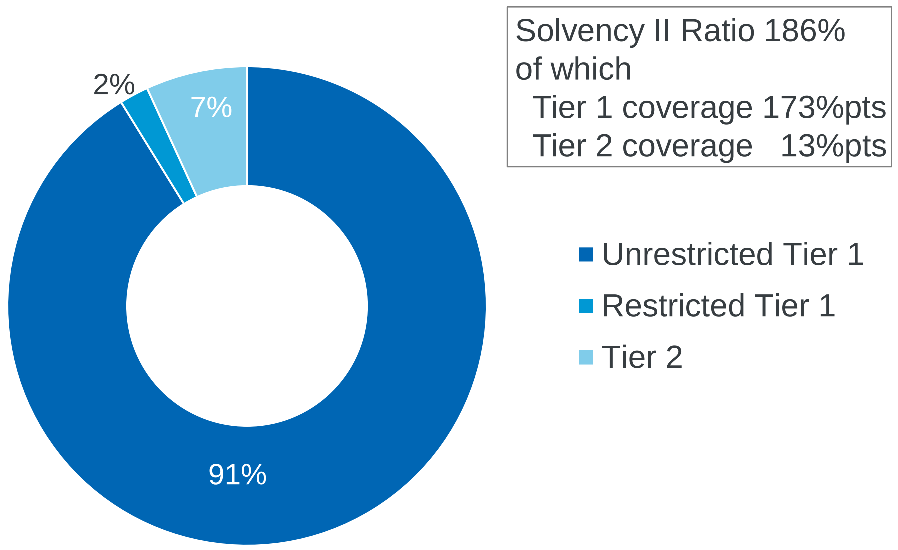
Figures according to Talanx's standardised terminology

talanx.

A TERM 2016 – Solvency II Perspective - Tiering

Capital tiering

Own funds composition



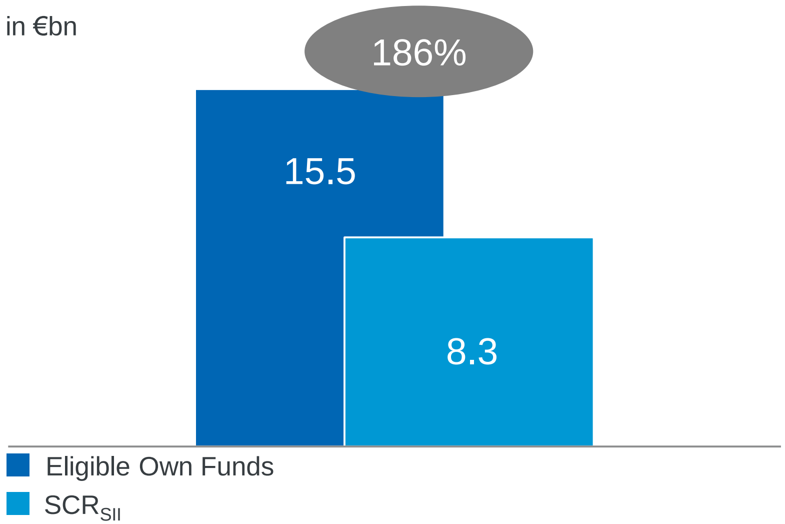
Comments

- The capital tiering reflects the composition of Own Funds under the Solvency II Perspective
- 91% of Own Funds consist of unrestricted Tier 1. The overall Tier 1 coverage stands at 173%. The tiering of Talanx compares well with sector peers
- Tier 2 mainly consists of subordinated bonds issued by Reinsurance respectively Talanx Finance

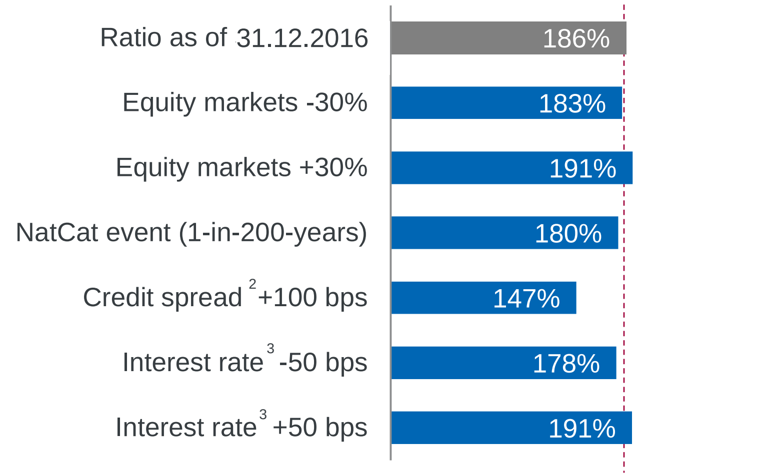
Very high share of unrestricted Tier 1 capital in Solvency II Ratio

A TERM 2016 – Sensitivities of Solvency II Ratio

Solvency II Perspective



Estimation of stress impact[1]



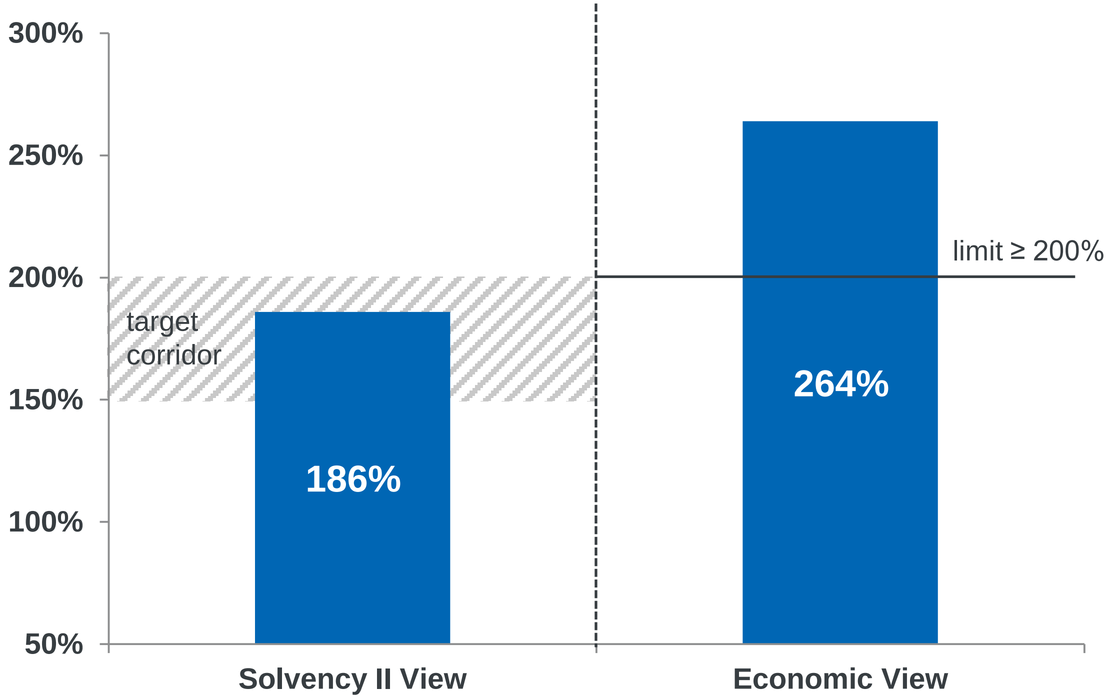
[1] Estimated solvency ratio changes in case of stress scenarios (stress applied on both Eligible Own Funds and capital requirement, approximation for loss absorbing capacity of deferred taxes)
[2] The credit spreads are calculated as spreads over the swap curve (credit spread stresses inculde stress on government bonds)
[3] Interest rate stresses based on non-parallel shifts of the interest rate curve based on EIOPA approach

Stresses on interest rates, NatCat and equities with little impact on Solvency II Ratio – somewhat higher degree of sensitivity on credit spreads

talanx.

A Solvency II Update – Target capitalisation levels

Target capitalisation



Comments

- For the Solvency II Perspective, Talanx defines a target corridor of 150 to 200%
- For the Economic View, a minimum target of 200% is set
- The latter reflects the concept that is used for risk budgeting and steering at Talanx as it best reflects the economic capital position of the Group

Solvency II Ratio moves towards the upper end of the target corridor

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 15 May 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 specific Alternative Performance Measures please refer to the Annual Report 2016 Chapter “Enterprise management”, pp. 23 and the following, the “Glossary and definition of key figures” on page 256 as well as our homepage http://www.talanx.com/investor-relations/ueberblick/midterm-targets/definitions_apm.aspx