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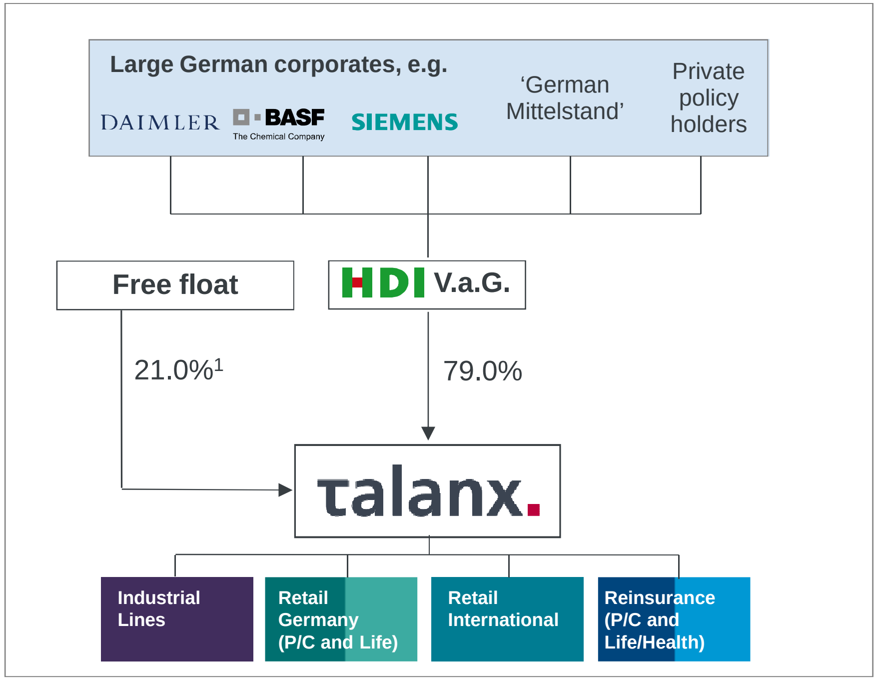
Insurance. Investments.

Roadshow

Alik Hertel, Head of Group Treasury
Marcus Sander, Senior Investor Relations Manager
London, 5/6 February 2018

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

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Industrial Lines	Retail Germany	Retail International	Reinsurance	Corporate Functions
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

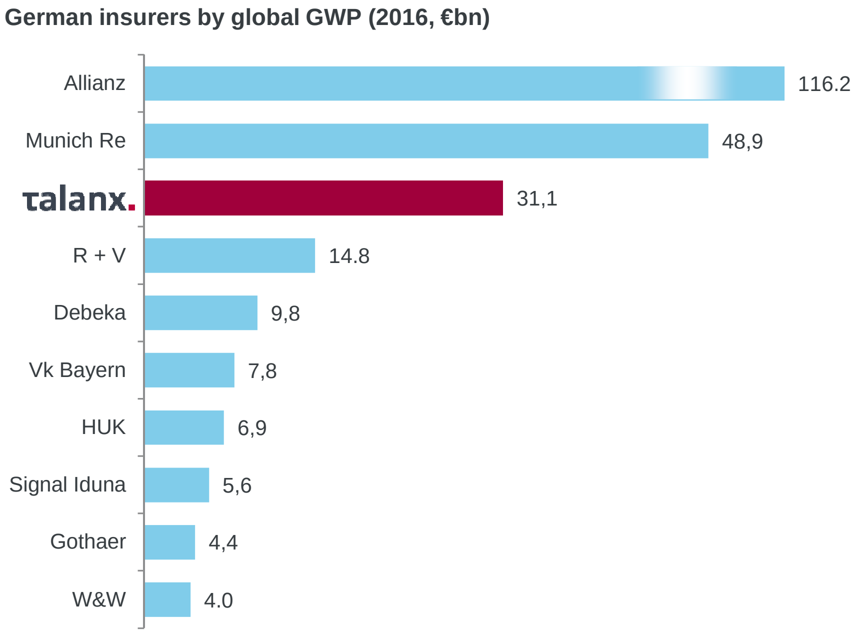
Industrial Lines	▪ Local presence by own risk carriers, branches and partners create efficient network in >130 countries ▪ Key target growth regions: Latin America, Southeast Asia/India, Arabian Peninsula
Retail International	▪ Target regions: CEE (incl. Turkey) and Latin America ▪ # 2 motor insurer 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

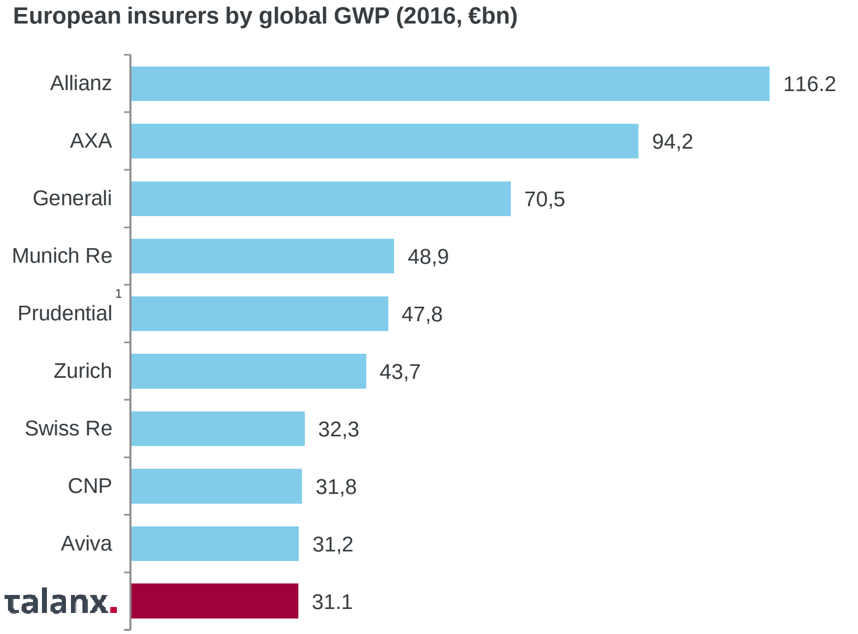
Global network in Industrial Lines and Reinsurance – leading position in retail target markets

Among the leading European insurance groups

Top 10 German insurers



Top 10 European insurers

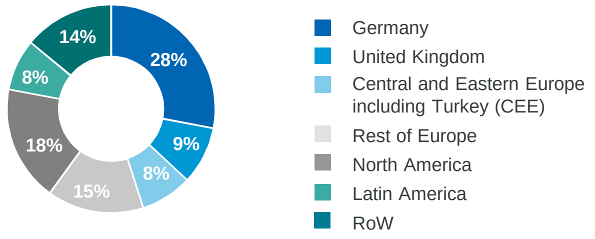


1 Gross earned premium
Source: Company publications

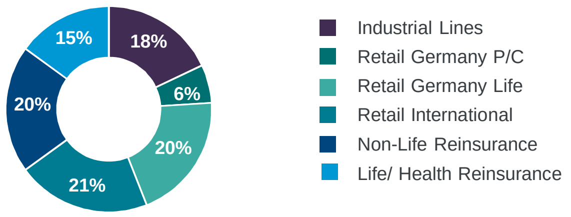
Third-largest German insurance group with leading position in Europe

Regional and segmental split of GWP and EBIT

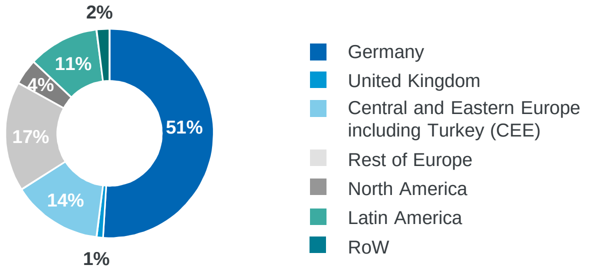
GWP by regions 2016 (consolidated Group level)



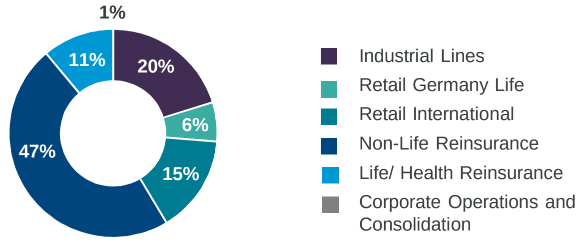
GWP by segments 2016[1]



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

Automotive

Brokers

Retail | Industrial/Reinsurance

Employee affinity business

1 Samples of clients/partners

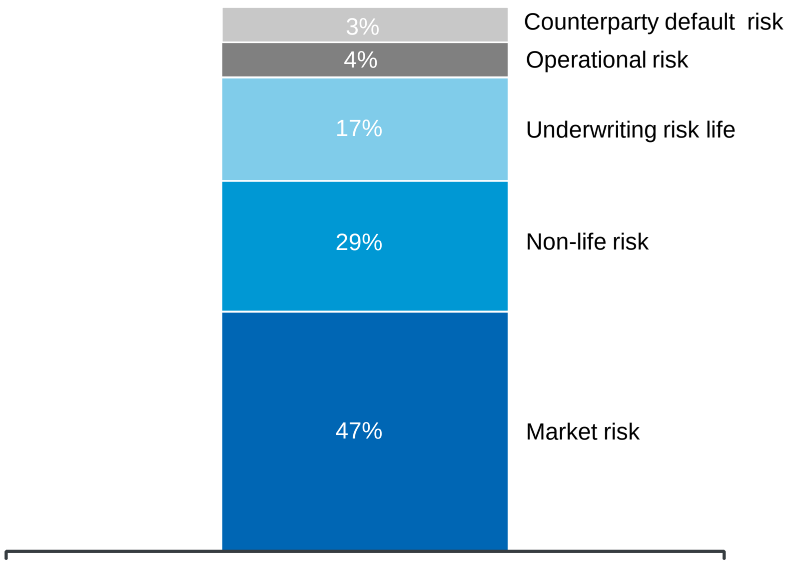
Superior service of corporate relationships lies at heart of our value proposition

Key Pillars of our risk management

1	2	3
Asset risk is limited to less than 50% of our SCR (solvency capital require-ment)	Generating positive annual earnings with a probability of 90%	Sufficient capital to withstand at least an aggre-gated 3,000-year shock

1 Focus on insurance risk

Risk components of Talanx Group [1]



Comments

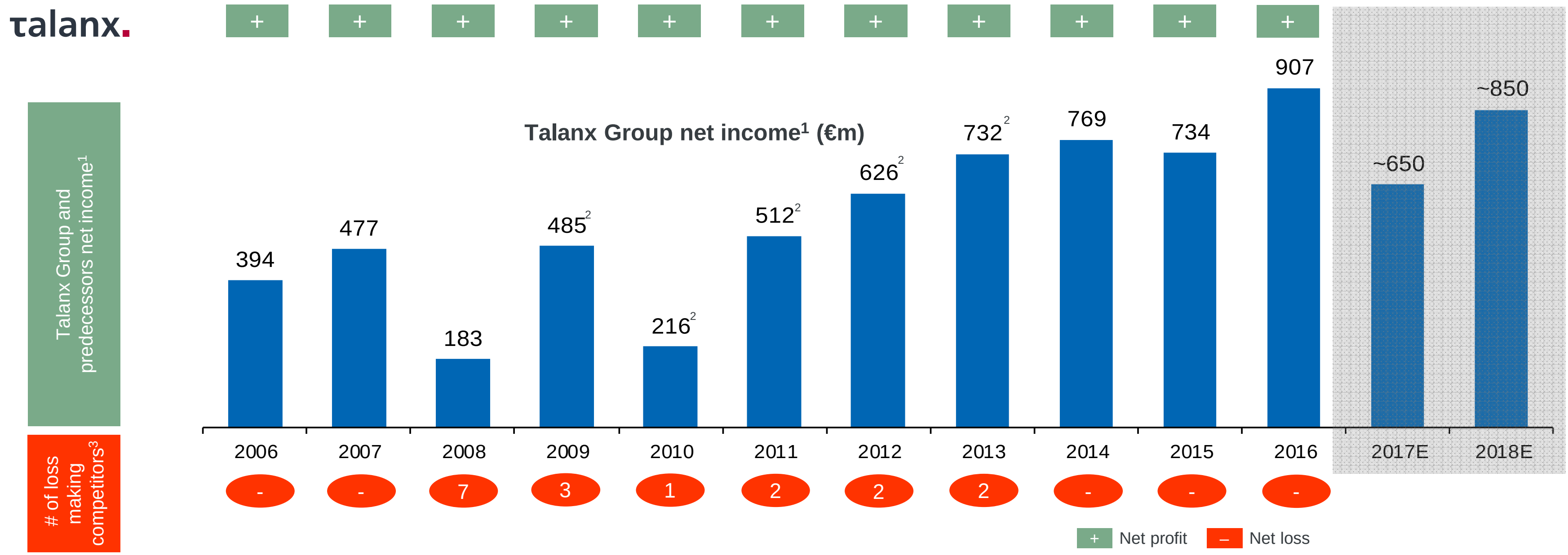
- Total market risk stands at 47% of solvency capital requirements, which is comfortably below the 50% limit
- Self-set limit of 50% reflects the dedication to primarily focus on insurance risk
- Non-Life is the dominating insurance risk category, comprising premium and reserve risk, NatCat and counterparty 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

2 Diversification of business model leads to earnings resilience

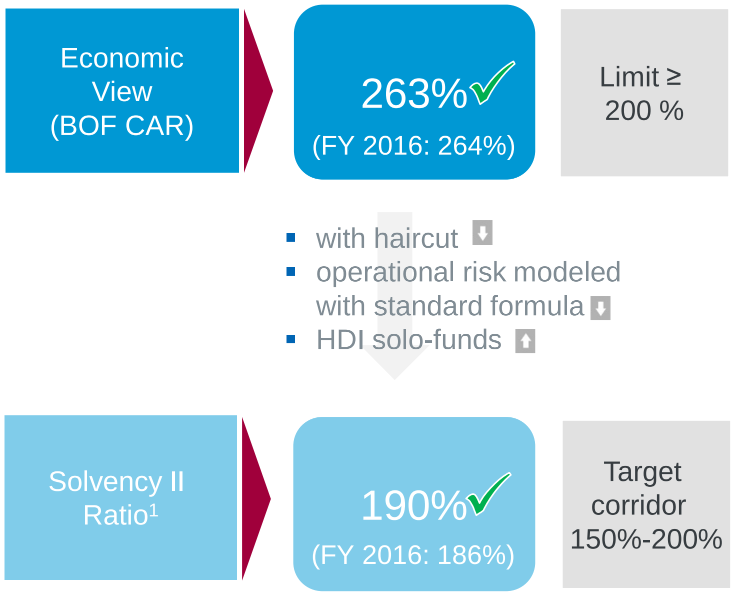
Talanx Group net income



1 Net income of Talanx after minorities, after tax based on restated figures as shown in annual reports 2006–2016; numbers for 2017 and 2018 according to Talanx Group Outlook; all numbers 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 9M 2017 results – Capitalisation perspectives



- Basic Own Funds (including hybrids and surplus funds as well as non-controlling interests)
- Risk calculated with the full internal model

- 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

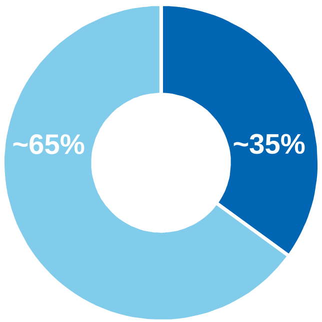
1 Group Solvency II Ratios including transitional (i.e. Regulatory View): 9M 2017: 237%, FY2016: 236%

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

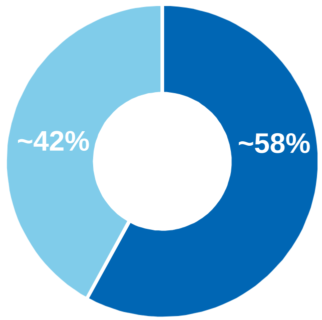
Capital ratios comfortably meeting targets

Better diversified earnings balance between Reinsurance and Primary Insurance – Earnings balance (I)

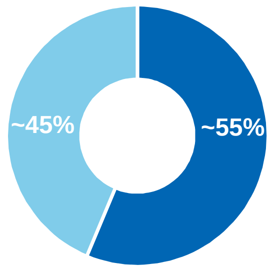
GWP by segment 2016[1]



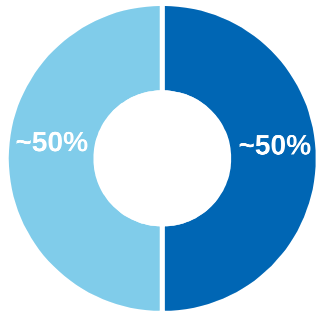
EBIT by segment 2016[1]



EBIT by segment 9M 2017



EBIT ambition by 2021[1]



Primary Insurance

Reinsurance

1 Adjusted for the 50.2% stake in Hannover Re

Primary Insurance's EBIT contribution on track to strongly improve by 2021

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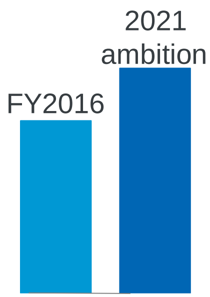
Better diversified earnings balance between Reinsurance and Primary Insurance – Earnings balance (II)

Divisional EBIT contribution and its drivers

Industrial Lines

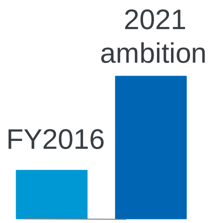
- Profitable foreign growth
- Continued profitabilisation of selected portfolios ("balanced book")
- Higher average return on investment



Mid-term RoE aspiration
~8%

Retail Germany

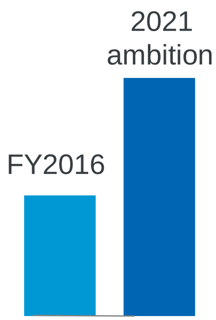
- Steadily improving combined ratios primarily driven by lower cost ratios
- Selective growth initiatives
- Further de-risking of life business



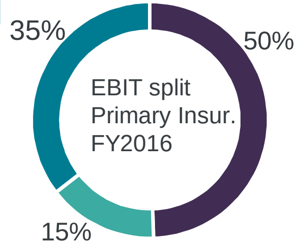
Mid-term RoE aspiration
~6-7%

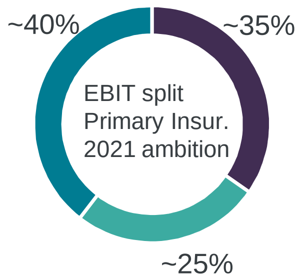
Retail International

- Strong profitable growth
- Slightly improving combined ratios
- Slightly better average return on investment



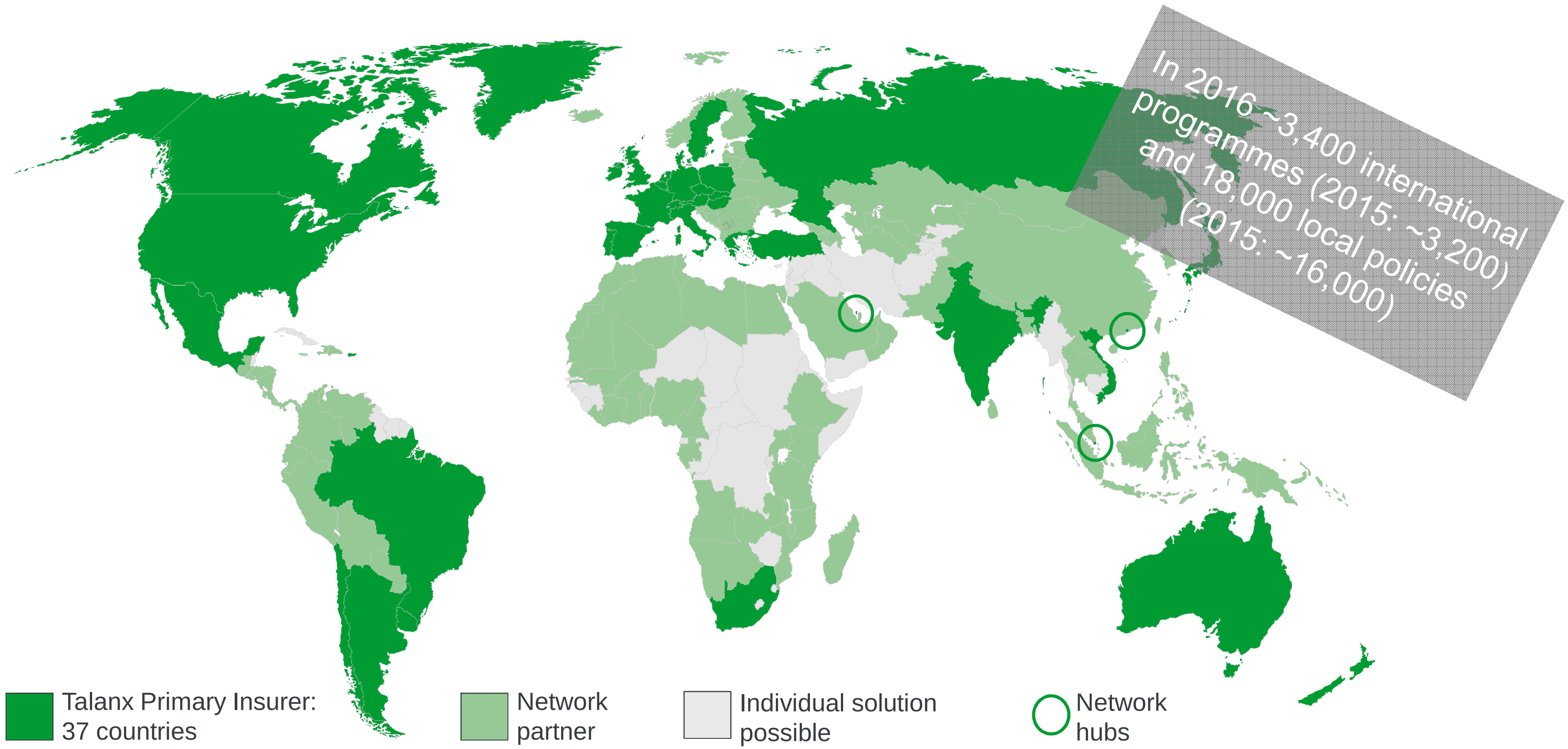
Mid-term RoE aspiration
~9%





All Primary Insurance divisions are expected to contribute to the targeted EBIT increase by 2021

Industrial Lines – International programmes as competitive edge



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Industrial Lines – An impressive long-standing client franchise

Overview of selected key customers by customer segment

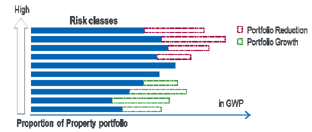
German mid-market (SMEs)	German corporates (multinationals)	International corporates (multinationals)

► Well-established relationships with main players in targeted segments

Industrial Lines – Three initiatives to optimise performance

Strategic 3-element-programme

1 “Balanced Book” – raising profitability in our domestic market



2 Generating profitable growth in foreign markets

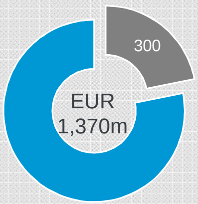
3 Establishing best-in-class efficiency and processes

Industrial Lines - Portfolio optimisation: current status of "Balanced Book"

2015/16

Portfolios under review (GWP) | Results

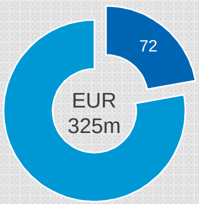
Property



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

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

Marine



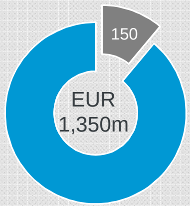
Negotiated EUR 71.8m
Effects on premium - 5.3%
Capacity - 26.9%

Premium to capacity ratio +30%[1]

2016/17

Portfolios under review (GWP) | Results

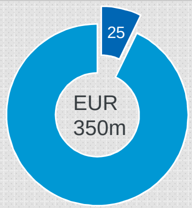
Property



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

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

Marine



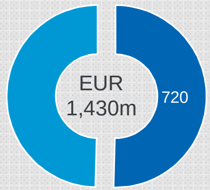
Negotiated EUR 24.5m
Effects on premium +23.2%
Capacity -15.0%

Premium to capacity ratio +44%[1]

2017/18

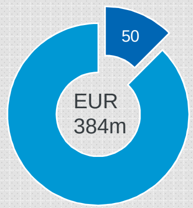
Portfolios under review (GWP)

Property



EUR 720m identified for re-underwriting in renewal 2017/18, in **both German and international business**

Marine



EUR 50m identified for re-underwriting in renewal 2017/18

- Global Portfolio
- Premium earmarked for re-negotiation (Global Portfolio)
- Premium earmarked for re-negotiation (German Portfolio)

1 For portfolio under review
2 Including effect of additional specific reinsurance measures

Constant portfolio optimisation has become an established process – now both, nationally and internationally

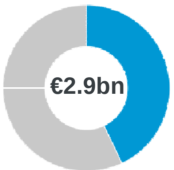
Retail Germany - Divisional breakdown

Retail Germany

Bancassurance

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

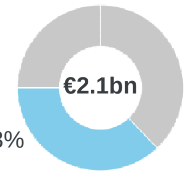
Share in 2016 divisional GWP



Life

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

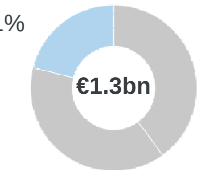
Share in 2016 divisional GWP



P&C

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

Share in 2016 divisional GWP



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

Retail Germany - Key Messages from Capital Markets Day 2017

1 The KuRS programme is ahead of plan

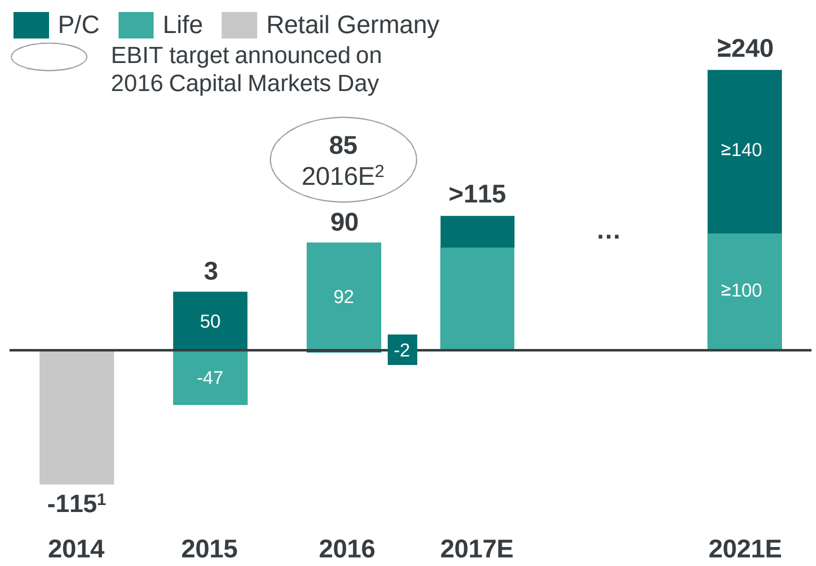
2 Retail Germany's 9M 2017 results underpin our successful path to both de-risk the Life business and improve profitability in the P/C business

3 De-risking Life is well supported by the shift to capital-efficient new business, in-force management and disciplined asset management

4 P/C is back in growth mode – significant growth effects from both target businesses "Direct Motor" and "SMEs/self-employed professionals"

5 Additional strategic initiatives implemented – clear focus on integration of digital applications and of face-to-face services, supporting our KuRS targets in our aim to become a state-of-the-art agile digital insurer

EBIT development, in EURm



1 Separate EBIT figures for Life and P/C Segments only available for FY2015 onwards
2 EBIT 2016 was EUR 5m higher than estimated on Capital Markets Day 2016

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Retail Germany – Market position

Market position Germany Life (2016)

in €bn		GWP[1]	Market share in %
1.	Allianz	16.4	18.9
2.	Generali	11.0	12.7
3.	RuV	5.6	6.4
4.	**Talanx**	4.9	5.7
5.	Ergo	4.1	4.8
6.	Zürich	4.1	4.7
7.	Debeka	3.5	4.1
8.	AXA	3.3	3.8
9.	VK Bayern	2.9	3.4
	thereof BA	2.7	3.3
10.	Alte Leipziger	2.3	2.7
11.	Nürnberger	2.3	2.7
12.	Provinzial NW	2.3	2.6
13.	W&W	2.1	2.4
	thereof HDI	1.9	2.4
14.	Sparkassen Vers.	1.8	2.1
15.	Volkswohl-Bund	1.4	1.6

Market position Germany P/C (2016)

in €bn		GWP[1]	Market share in %
1.	Allianz	9.6	13.8
2.	RuV	5.3	7.6
3.	HUK	4.7	6.8
4.	AXA	4.1	5.9
5.	Generali	3.6	5.2
6.	Ergo	3.3	4.8
7.	VK Bayern	2.4	3.4
8.	LVM	2.2	3.2
9.	Provinzial NW	1.8	2.6
10.	VHV	1.8	2.6
11.	DEVK	1.8	2.6
12.	Gothaer	1.7	2.5
13.	W & W	1.7	2.4
14.	**Talanx**	1.5	2,2
15.	SV Konzern	1.5	2.1
	thereof HDI	1.3	1.9
	thereof BA	0.2	0.2

Ranking as of August 2017

1 Own underwriting business

Retail Germany with a TOP-5 position in Life and among TOP-15 in German Non-Life

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Retail Germany - KuRS programme: investment and cost reduction targets

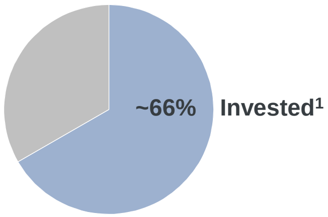
Investment and cost reduction status in 2017

Overall strategic Investment

~ EUR 420m

Investment budget

KuRS Die Zukunft sichern. VOYAGER4life



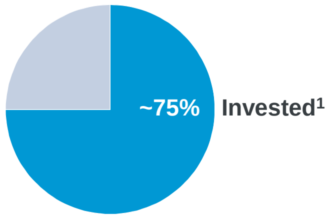
2017E

Investment KuRS

~ EUR 330m

Investment budget

KuRS Die Zukunft sichern.



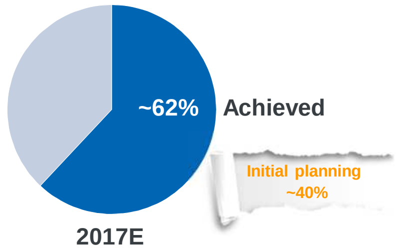
2017E

Cost Reduction KuRS

~EUR 240m

Strategic Target 2021E

KuRS Die Zukunft sichern.



2017E

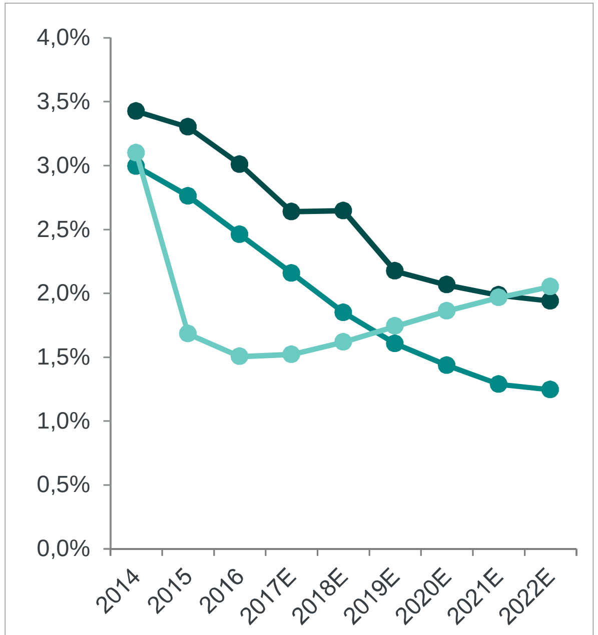
- Strategic projects on track. ~75% of KuRS and ~31% of Voyager4Life budget invested by end of 2017
- Target is to implement all initiatives in full by the end of FY2020, with the full cost benefit to be reached in FY2021
- Close to 62% of planned cost savings achieved. Savings ahead of plan allow for faster and higher investments into digitalisation projects

1 2017E, KuRS including personnel redundancy costs

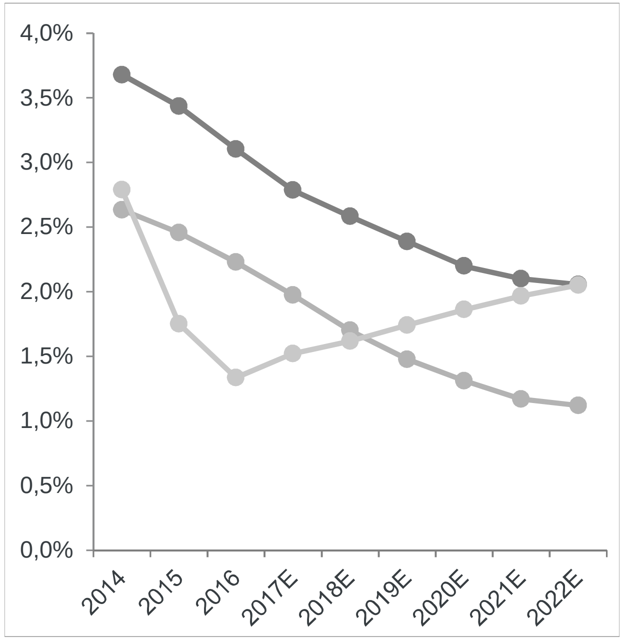
Annual savings ahead of plan – KuRS and Voyager4Life spending are on budget

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). Update based on September 2017 calculations/data

Comments

- The implicit market expectation for 20-year AAA euro government bonds plus 50 bp is taken as the assumed reinvestment yield for 2017-2022 in the two diagrams – e.g. 1.52% for 2017
- The fixed income reinvestment yield in 9M 2017 was higher at 1.70% for HDI Life and at 1.79% for Bancassurance
- The reinvestment yields mentioned above are already higher than the calculated average guarantee rates of 1.44% (HDI Life) and 1.31% (Bancassurance) for FY2020

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

Retail Germany - Mid-term targets from 2016 Capital Markets Day (Status update)

Targets Retail Germany

Gross premium growth (p.a.)	≥ 0%
Life	~ 0%
P/C	≥ 3%
Cost-cutting initiatives to be implemented by end of 2020	~ EUR 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)	≥ EUR 240m

Status update

✓ on track / in the works

- ✓ Expected GWP decline in HDI Life (~-5%) likely to be compensated by business from Bancassurance Life (~+2%) as well as from Retail Germany P/C (~+1%)
- ✓ Cost reductions from 2015 to 2017E have outperformed initial plan by cumulated >EUR 100m
- ✓ Combined ratio still to be affected by KuRS investments. Positive impact from better loss experience supported by favourable cost effects
- In the works: Customer demand for capital-efficient private pension products currently behind expectations. Strong growth in biometric business
- ✓ EUR 5m above guidance from 2016 Capital Markets Day
- ✓ FY2016 EBIT EUR 5m above guidance; FY2017 outlook further underlines the sustainability of EBIT growth

1 Incl. net interest income on funds withheld and contract deposits 2 Compared to base year 2014
Note: Targets are subject to no large losses exceeding budget (cat), no turbulences on capital markets (capital) and no material currency fluctuations (currency)

Overall positive development, in some areas even ahead of plan – well on track to reach FY2021 targets

Retail International – Core markets: 9M 2017 overview

% = market share 2016 in %

Brazil

Motor: 8.8%
Non-Life: 4.6%

GWP growth (local currency)	+2.1%	
Combined ratio	100.1%	-2.3%pts
EBIT (€)	25.6m	-21.7%

Mexico

Motor: 4.9%
Non-Life: 2.2%

GWP growth (local currency)	+32.5%	
Combined ratio	95.2%	-0.4%pts
EBIT (€)	7.3m	+28.3%

Chile[1]

Motor: 17.5%
Non-Life: 10.1%

GWP growth (local currency)	+7.8%	
Combined ratio	91.5%	+0.9%pts
EBIT (€)	13.5m	-0.3%

Poland

Motor: 14.8%
Non-Life: 12.8%

GWP growth (local currency)	+21.7%	
o/w Life	+9.7%	
o/w Non-Life	+26.8%	
Combined ratio[2]	95.5%	-1.2%pts
EBIT (€)	90.5m	+27.0%
o/w Life	7.8m	+11.8%
o/w Non-Life	82.7m	+28.6%

Turkey

Motor: 2.7%
Non-Life: 2.5%

GWP growth (local currency)	+25.1%	
Combined ratio	102.5%	0.0%pts
EBIT (€)	3.9m	-12.0%

1 Includes all entities of HDI Chile Group operating in the Chilean market; Magallanes integrated in February 2015
2 Combined ratio for Warta only
Note: Market shares based on regional supervisory authorities or insurance associations (Polish KNF, Turkish TSB, Brazilian Siscorp, Mexican AMIS, Chilean AACH)

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
- Digitalization on sale and cost control to optimize profitability
- Increase usage ratio of "Bate Prontos"

Combined Ratio in %: 102.1 (2016) ↘ 2018E

Mexico

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

Combined Ratio in %: 95.3 (2016) ↘ 2018E

Chile

- Increase direct online sales, applying behavioral economics
- Focus on customer service
- Increase sales through mid-sized brokers

Combined Ratio in %: 88.7 (2016) → 2018E

Poland (Warta)

- Continuing innovations in pricing („Big Data")
- Data driven claims handling
- Omnichannel distribution and cross-sell

Combined Ratio in %: 96.1 (2016) ↘ 2018E

Turkey

- Focus on non-motor, pro-active risk selection in motor own damage
- Cost management / optimization
- Best in class IT services & digitalization

Combined Ratio in %: 102.5 (2016) → 2018E

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

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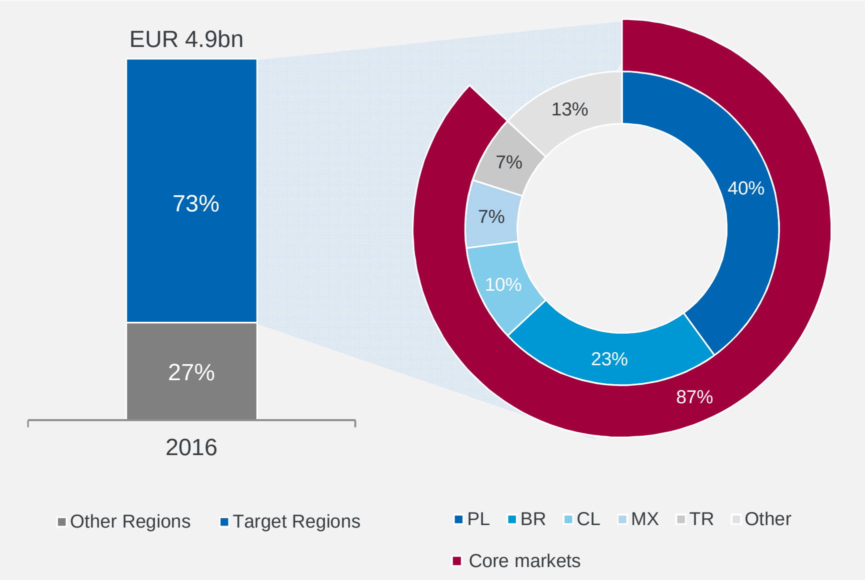
Retail International – Portfolio focus on core markets

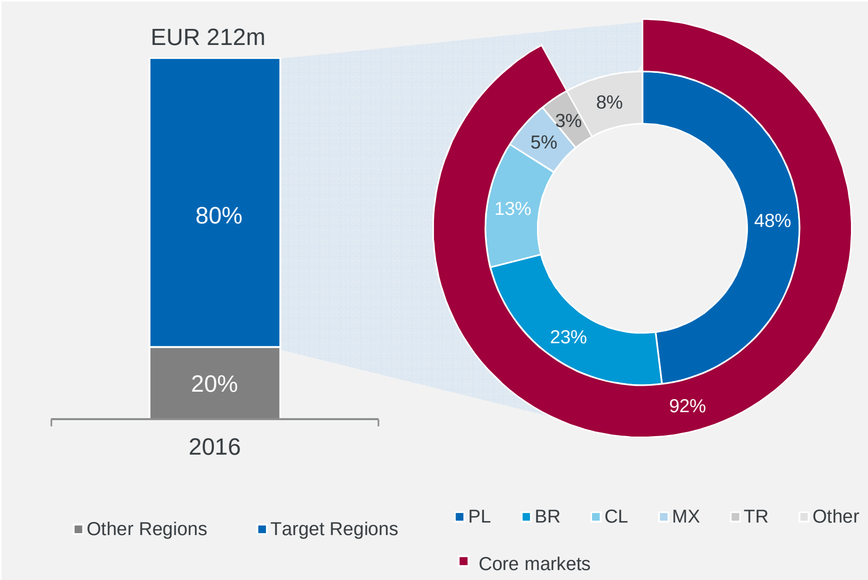
GWP contribution



GWP share of core markets: 64%[1]

1 87% GWP from core markets out of 73% GWP from target regions means 64% GWP contribution from core markets to the segment's GWP

EBIT contribution



EBIT share of core markets: 74%[2]

2 92% EBIT from core markets out of 80% EBIT from target regions means 74% EBIT contribution from core markets to cumulated EBIT contribution from operating entities

Core markets contribute the vast majority to segment's GWP and EBIT

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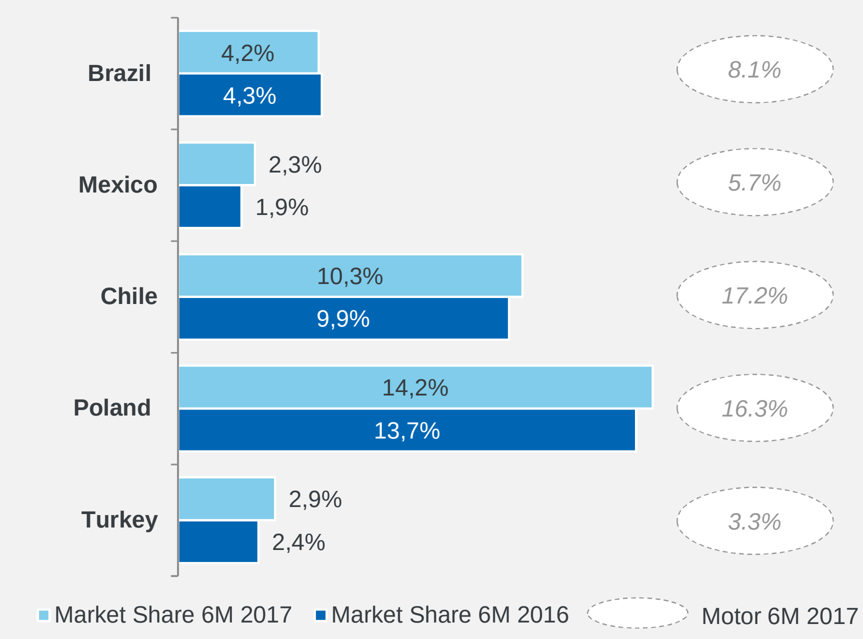
Retail International – Market shares and market positions in core markets

Market share development in core markets[1]



Market position in core markets

Region	Country	Period	Motor Market	Status	Total Market[1]	Status
LatAm	Brazil	6M 2016	#5	🛠	#8	🛠
		6M 2017	**#6**		**#8**	
	Mexico	6M 2016	#9	✓	#17	🛠
		6M 2017	**#5**		**#15**	
	Chile	6M 2016	#3	✓	#5	✓
		6M 2017	**#3**		**#4**	
CEE	Poland	6M 2016	#3	✓	#2	✓
		6M 2017	**#2**		**#2**	
	Turkey	6M 2016	#11	🛠	#13	🛠
		6M 2017	**#11**		**#15**	

✓ **on track** 🛠 **in the works**

1 P/C Markets; according to GWP
Note: 6M 2017 portfolio share motor/non-motor within P/C business: 73%/27% (overall); 81%/19% (LatAm); 64%/36% (CEE)

Top 5 motor market position achieved in three core markets

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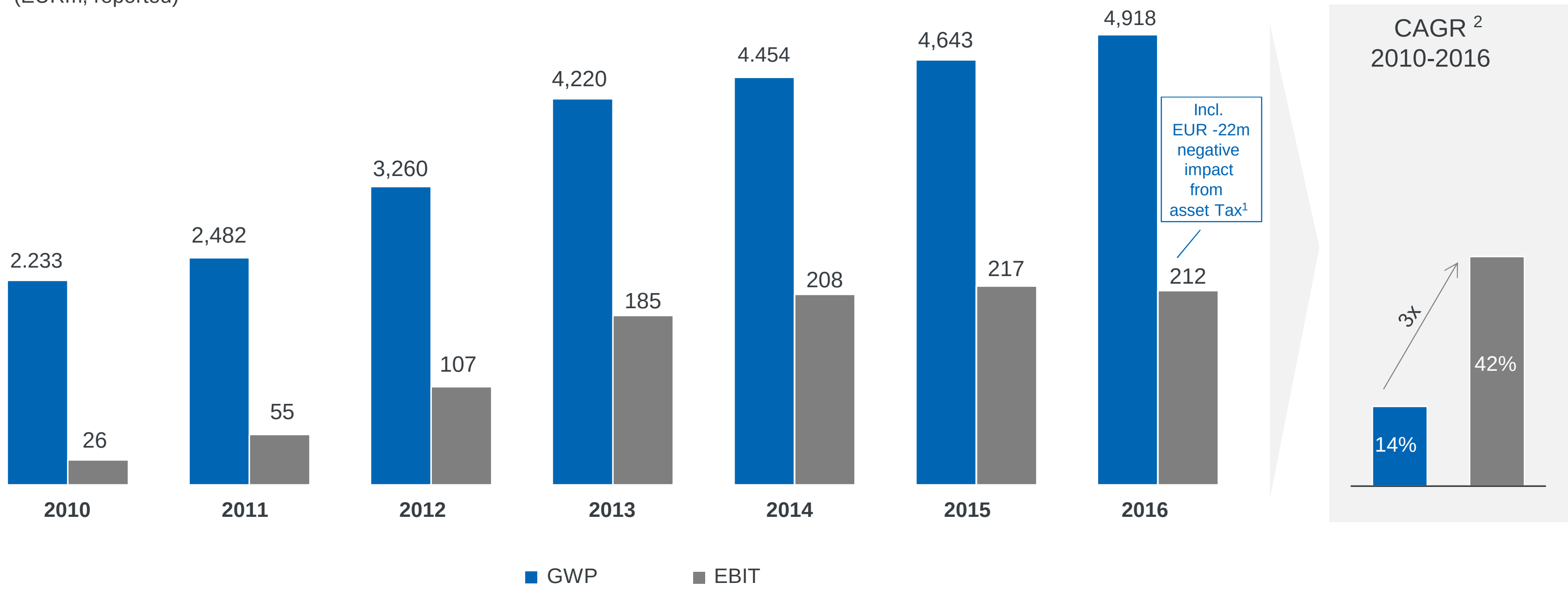
Retail International – Disciplined organic and inorganic growth, with focus on profitability

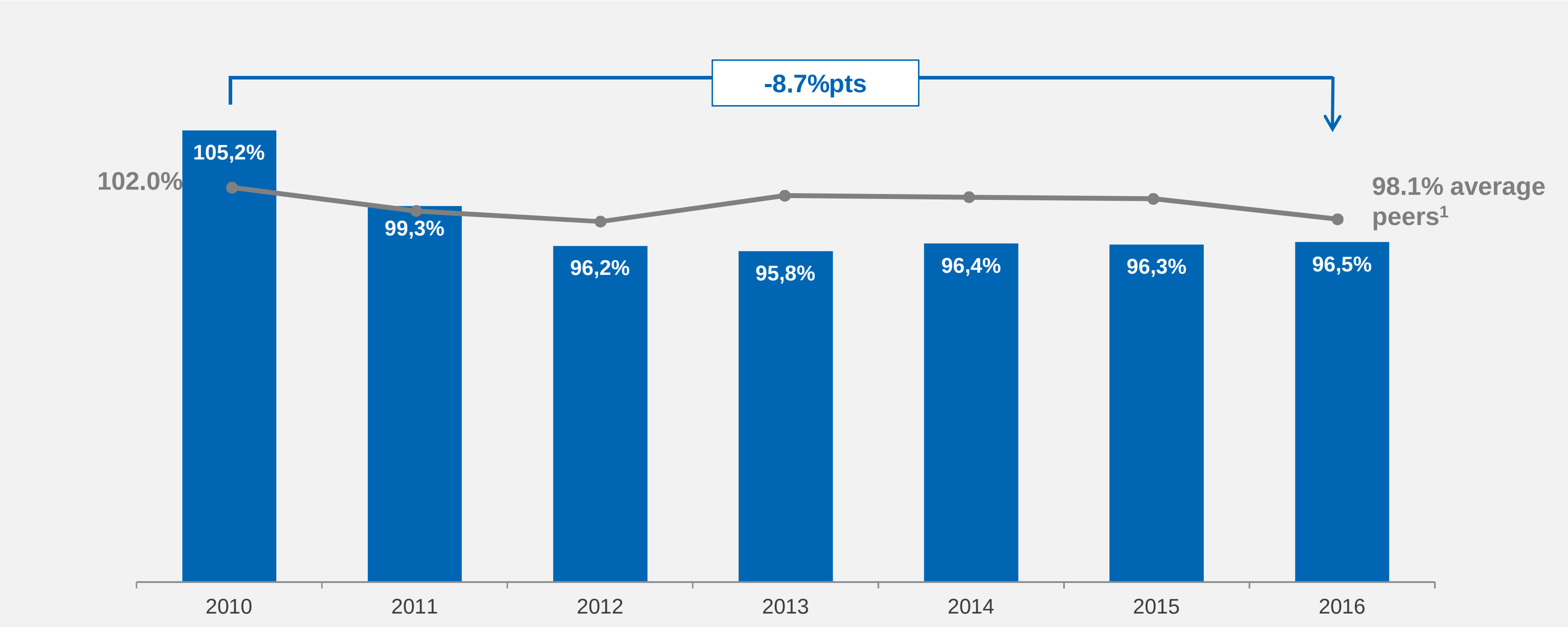
(EURm, reported)



1 Asset tax allocated to EBIT result
2 CAGR 2010 – 2016 currency adjusted GWP: +18%; EBIT: +59%; reported EBIT growth excluding asset tax: +44% p.a. (CAGR 2010-2016)

Profitable growth: EBIT has even grown three times stronger than GWP since 2010

Retail International – Combined ratio development vs. peers in core markets



1 Peers in LatAm include Allianz, Mapfre and Zurich; peers in CEE include Allianz, VIG and Uniqa
Note: GWP growth in target regions (CAGR 2012-2016): Peers -0.4% p.a.; Retail International +10.5% p.a.

Significant improvement of combined ratio of 8.7%pts over time – outperforming peers since 2012

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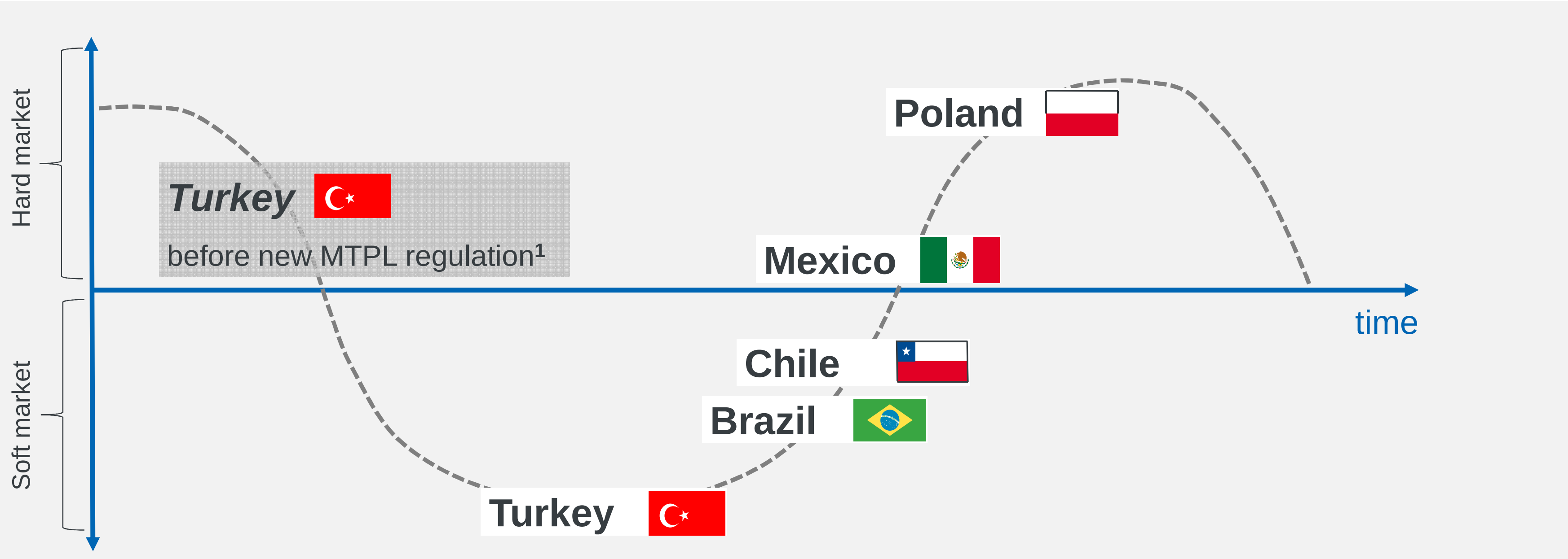
Retail International – Motor cycle in core markets



1 Effective of 12 April 2017, the local regulator set a price cap in MTPL ("Motor Third-Party Liability"), resulting in an average reduction of premiums by ~30%, and established a "Risky Customer Pool"
Source: own assumptions, Talanx AG

All core markets except Turkey on a positive trend

Challenges & Opportunities – Digitalisation

Pursuing and implementing a stringent innovation and digitalisation strategy

In-house expertise – partner of leading global accelerators – group-internal know-how transfer

Outlook 2017 for Talanx Group[1]

Gross written premium	>4%
Return on investment	≥3.0%
Group net income	~650 EURm
Return on equity	~7.5%
Dividend payout ratio	35-45%[2] target range

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

1 The targets are subject to the large loss burden during the forth quarter not exceeding the large losses budgeted for one quarter
2 A dividend payout at least equal to the year-earlier level is assured from today's perspective

Outlook 2018 for Talanx Group[1]

Gross written premium	▶	≥ 2%
Return on investment	▶	≥3.0%
Group net income	▶	~850 EURm
Return on equity	▶	~9.0%
Dividend payout ratio	▶	35-45% target range

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

1 The targets are based on an large loss budget of EUR 300m (2017: EUR 290m) in Primary Insurance, of which EUR 260m in Industrial Lines. The large loss budget in Reinsurance stands at EUR 825m

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

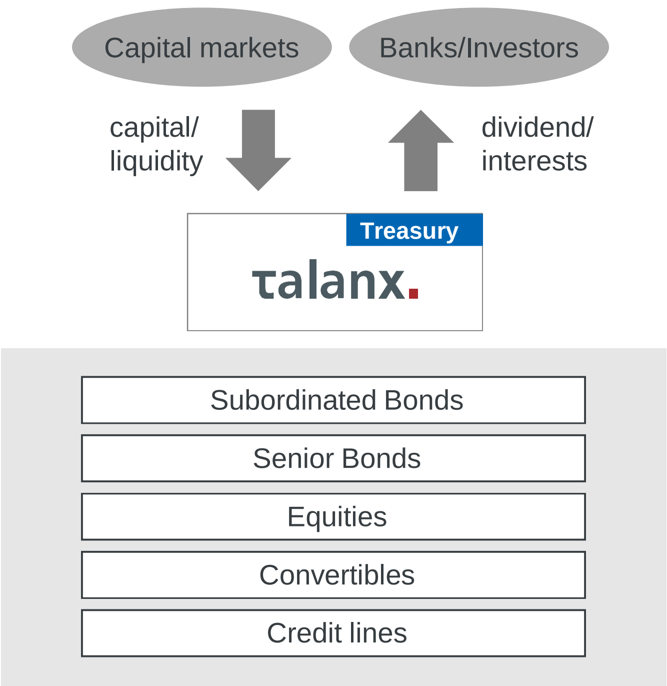
Segments	Key figures	Strategic targets (2015 - 2019)	2016	2015/2016[8]
Group	Gross premium growth[1]	3 - 5%	(0.3%)	2.2%
	Return on equity	≥ 750 bps above risk free[2]	10.4% [≥8.4%] ✓	9.7% [≥8.6%] ✓
	Group net income growth	mid single-digit percentage growth rate	23.6% ✓	9.5% ✓
	Dividend payout ratio	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[1]	≥ 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]	≥ EUR 110m	EUR 448m ✓	EUR 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 EUR 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, CoR and EBIT margins are average annual targets

- Debt Financing Overview -

Capital / Liquidity Management Talanx Group (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 in the group
- Financing of group companies at arm's-length
- Cost reduction as a consequence of concentration of all bank relations in one function
- FX / Interest rate hedging
- Investment of liquidity buffers

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

Talanx‘s EMTN programme – Overview

1 Luxembourg Stock Exchange

The EMTN programme established in 2017 supports opportunistic issuance in both hybrid and senior unsecured format

Market transactions 2012 - 2017

Latest capital market transactions (excluding Hannover Re)

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
2017	Dec	Subordinated bond 2.25%, 30-NC-10	Strengthening of capitalisation of Talanx Group	750 *NEW*

1 Conversion of the Tier 1 Meiji Yasuda bond 2 Revolving credit facilities

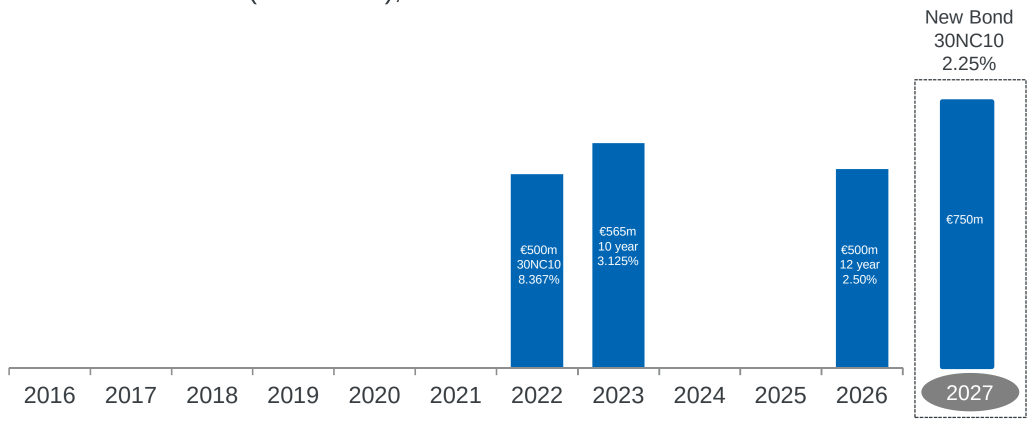
Capital market appearances established by liquid instruments in major market segments - EUR 500m in RCF's[2], provided by 9 banks, are available.

Outstanding Talanx hybrid and senior bonds

Talanx Group maturity structure (excl. Hannover Re)

Outstanding, publicly held volume of hybrid and senior bonds (as of 31/12/2017):

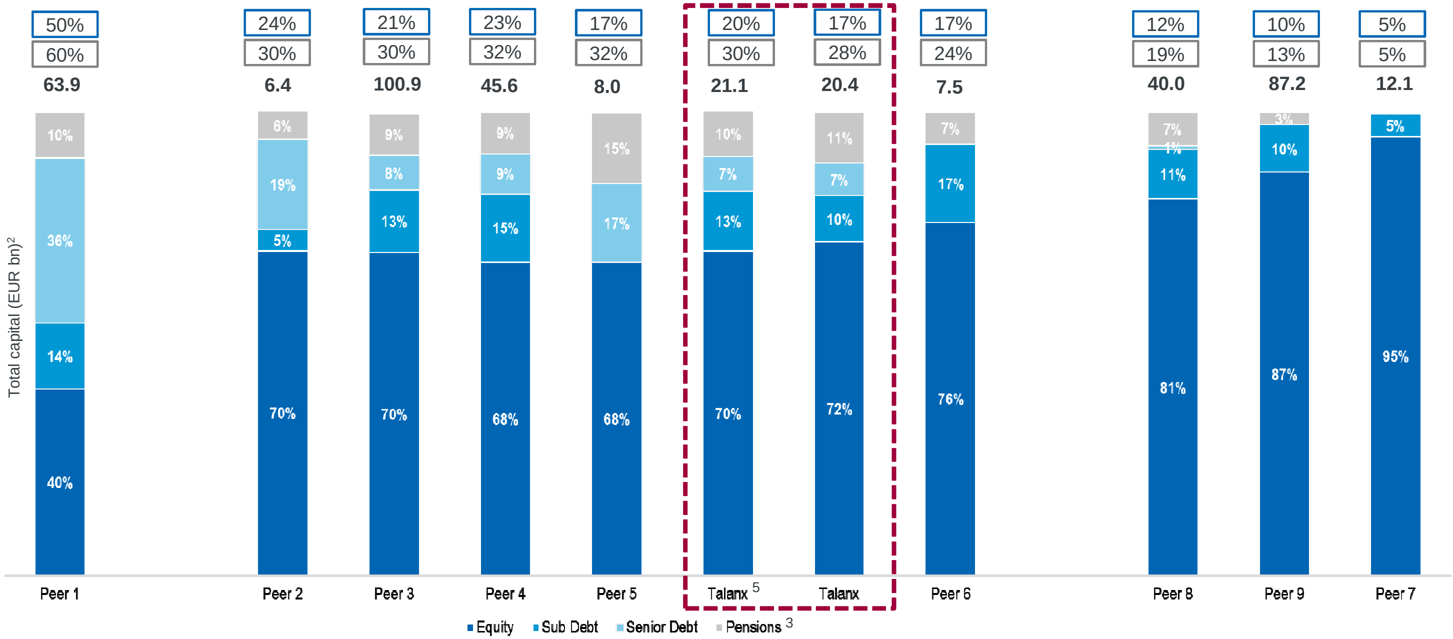
- 2012: EUR 500m (Talanx Finanz), callable 2022
- 2013: EUR 565m (Talanx AG)
- 2014: EUR 500m (Talanx AG)
- 2017: EUR 750m (Talanx AG), callable



Talanx issued a benchmark transaction to assure an appropriate level of secondary market liquidity in its new bond

Capital position - Leverage versus Peers

Capital structure benchmarking[1]



Materially deleveraged vs. 2012

17% vs. 25%

28% vs. 33%

Senior and subordinated debt leverage [4]

Senior and subordinated debt + pensions leverage [4]

1 Peer group consist of Allianz, AXA, Baloise, Generali, Mapfre, Munich RE, RSA, VIG, Zurich. Numbers as of FY16
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 Post hybrid bond issuance

Talanx with a significantly reduced leverage level – moderately geared in a peer comparison

- 9M 2017 -

Talanx achieves 9M 2017 result of EUR 444m despite very significant NatCat losses

9M 2017 Group net income down by ~30% to €444m - Industrial Lines and Non-Life Reinsurance with NatCat-dominated large loss burden

The Talanx Group suffers claims of EUR 920m as a result of hurricanes Harvey, Irma and Maria, and the earthquakes in Mexico. After nine months, the large loss burden after reinsurance and retrocessions for the Group is more than EUR 1.2bn and already exceeds the budget for the entire year

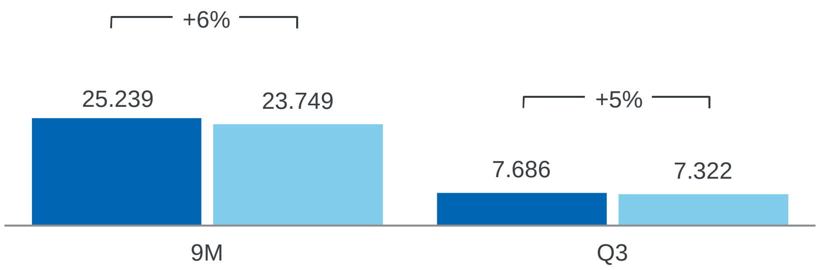
Talanx's retail operations have performed strongly in the third quarter. Particularly the encouraging improvement in Retail Germany has partly compensated for some of the large-loss burden

As already indicated, Talanx now expects Group net income of around EUR650 million for the FY2017. This forecast is subject to one quarterly large loss budget for Q4 2017. A dividend payment at least equal to the year-earlier level is assured from today's perspective

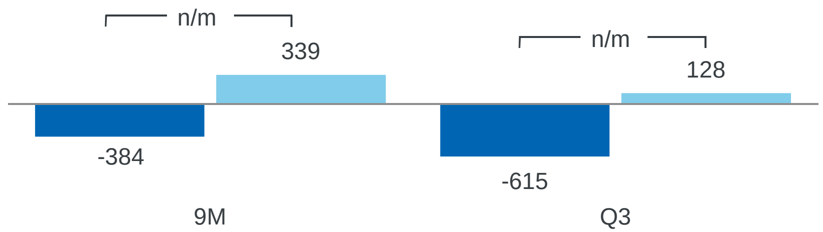
Talanx expects to successfully pursue its growth path in 2018. The Outlook for the Group net income for the coming business year stands at around EUR 850m

1 9M 2017 results – Key financials

Gross written premium



Net underwriting result (P/C)



Retention rate in %

	2017	2016
9M	88.0	87.7
Q3	89.4	89.6

Combined ratio in %

	2017	2016
9M	103.1	96.6
Q3	114.4	96.4

- 9M 2017 GWP up by +6.3% y/y (curr.-adj.: +6.7%). Main growth contribution from Industrial Lines, Retail International and P/C Reinsurance. Q3 2017 GWP up +5.0% (curr.-adj.: +7.3%). Retail Germany P/C with top-line growth

- Net underwriting result significantly deteriorated, predominantly reflecting NatCat burden in Industrial Lines and Non-Life Reinsurance. Large loss burden on Group level already above the budget for the entire year
- Combined ratio above 100%, driven by large losses. Retail Germany P/C and Retail International significantly improved their combined ratios

EURm, IFRS **2017** **2016**

Strong top-line growth continued over 9M 2017 – combined ratio affected by the series of NatCat losses in Q3 2017

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1 Large losses[1] in 9M 2017 (in EURm)

NatCat	Primary Insurance	Reinsurance	Talanx Group
Storms	184.5 (Hurricane „Harvey“: 71.2, Hurricane „Irma“: 44.8, Hurricane „Maria“: 41.6, Storm „Quirin“: 14.9, Cyclone „Debbie“: 9.9, Typhoon „Hato“: 2.1)[2]	715.5 (Hurricane „Harvey“: 100.0, Hurricane „Irma“: 329.9, Hurricane „Maria“: 220.8, Cyclone „Debbie“: 42.2, Typhoon „Hato“: 13.4, Tornadoes USA: 9.2)[2]	900.0 (Hurricane „Harvey“: 171.2, Hurricane „Irma“: 374.6, Hurricane „Maria“: 262.4, Cyclone „Debbie“: 52.1, Typhoon „Hato“: 15.5, Tornadoes USA: 9.2)[2]
Wildfire	3.0 (Chile)	31.0 (Chile, South Africa)	34.0 (Chile, South Africa)
Earthquake	39.1 (Mexico)	71.5 (Mexico)	110.7 (Mexico)
Total NatCat	226.6	818.0	1,044.6

Man-made	Primary Insurance	Reinsurance	Talanx Group
Fire/Property	90.2	48.6	138.8
Credit		27.6	27.6
Other	10.5		10.5
Total Man-made	100.7	76.3	176.9

Total large losses	Primary Insurance	Reinsurance	Talanx Group
	327.3 (139.8)	**894.3** (393.2)	**1,221.5** (533.0)

9M 2017 (9M 2016)

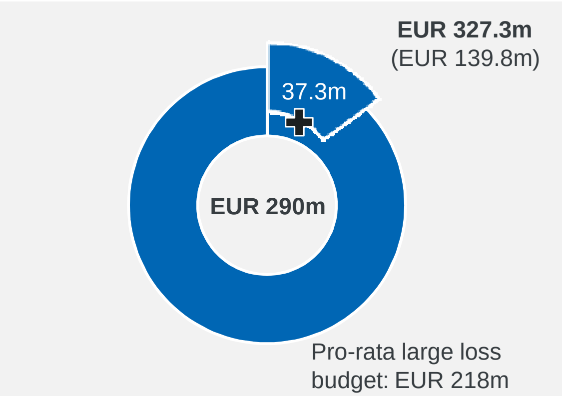
[1] Definition „large loss“: in excess of EUR 10m gross in either Primary Insurance or Reinsurance
[2] Occured during Q1 2017: several tornadoes in USA and „Debbie“. Occured during Q2 2017: „Quirin“. Occured during Q3 2017: „Hato“, „Harvey“, „Irma“ and „Maria“

Note: 9M 2017 Primary Insurance large losses (net) are split as follows: Industrial Lines: EUR 315.1m; Retail Germany: EUR 8.8m; Retail International: EUR 3.4m, Corporate Operations: EUR 0m; since FY2016 reporting onwards, the table includes large losses from Industrial Liability line, booked in the respective FY

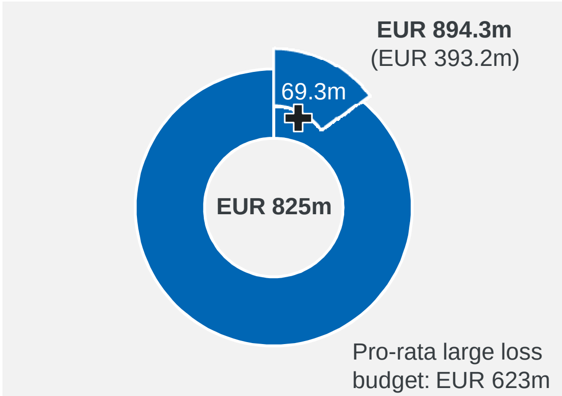
1 Large loss budget in 9M 2017

Primary Insurance	Reinsurance	Talanx Group

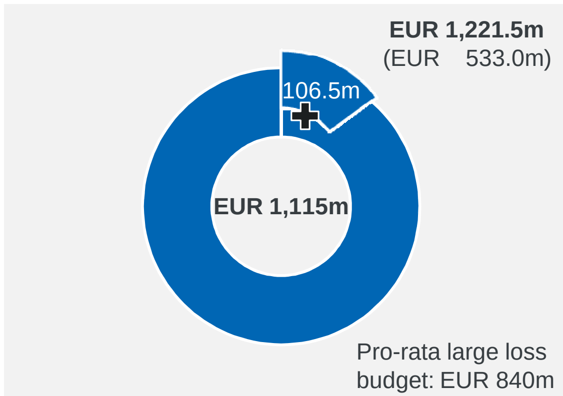
Primary Insurance



Reinsurance



Talanx Group



Impact on large loss ratio (incurred)	Impact on large loss ratio (incurred)	Impact on large loss ratio (incurred)
6.4%pts (3.0%pts) budgeted 4.2%pts	**13.2%pts** (6.6%pts) budgeted 9.2%pts	**10.3%pts** (5.0%pts) budgeted 7.1%pts

FY large loss budget   thereof used budget

9M 2017 (9M 2016)

Primary Insurance as well as Reinsurance heavily affected by NatCat events – large losses for both already above their respective budgets planned for the entire year

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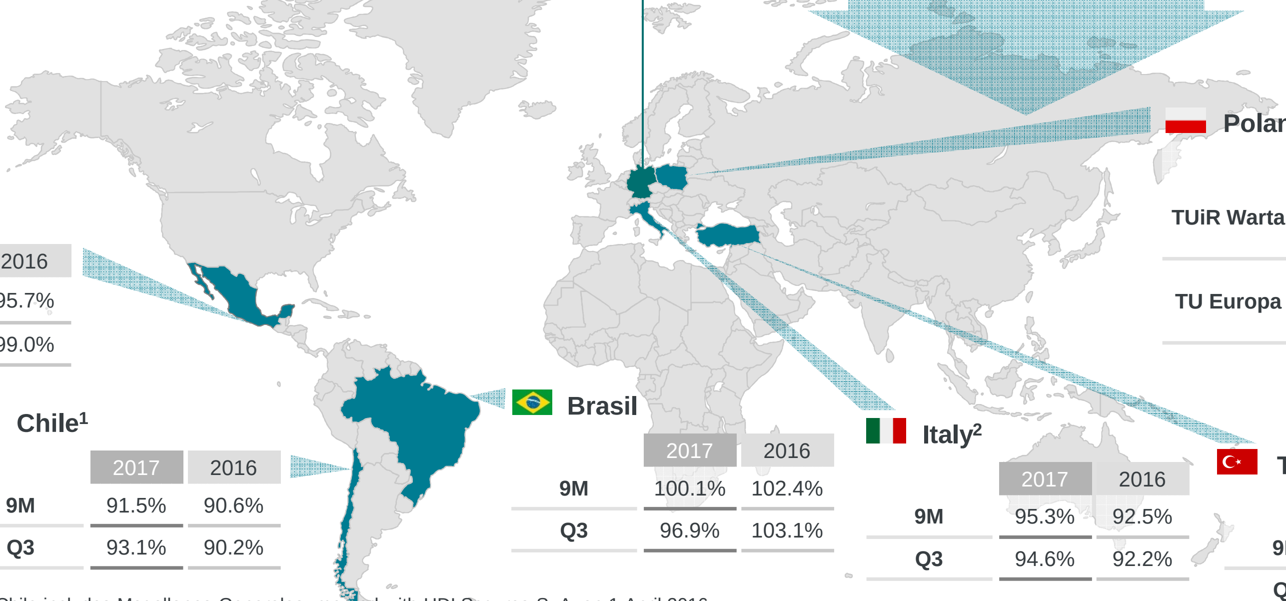
1 Combined Ratios

	Talanx Group 2017	Talanx Group 2016	Industrial Lines 2017	Industrial Lines 2016	Retail Germany P/C 2017	Retail Germany P/C 2016	Retail International 2017	Retail International 2016	Reinsurance P/C 2017	Reinsurance P/C 2016
9M	103.1%	96.6%	110.1%	98.0%	100.3%	103.2%	95.9%	97.0%	104.3%	95.1%
Q3	114.4%	96.4%	135.0%	98.4%	98.1%	100.3%	94.9%	98.0%	118.2%	94.5%



Mexico

	2017	2016
9M	95.2%	95.7%
Q3	96.0%	99.0%

Chile[1]

	2017	2016
9M	91.5%	90.6%
Q3	93.1%	90.2%

Brasil

	2017	2016
9M	100.1%	102.4%
Q3	96.9%	103.1%

Italy[2]

	2017	2016
9M	95.3%	92.5%
Q3	94.6%	92.2%

Poland

		2017	2016
TUiR Warta	9M	95.5%	96.7%
	Q3	94.3%	98.3%
TU Europa	9M	84.8%	82.7%
	Q3	84.8%	83.6%

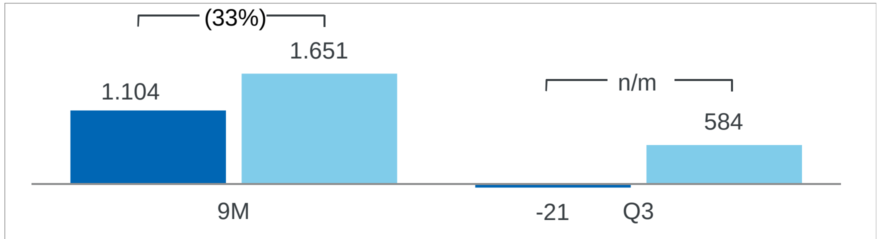
Turkey

	2017	2016
9M	102.5%	102.5%
Q3	103.6%	102.5%

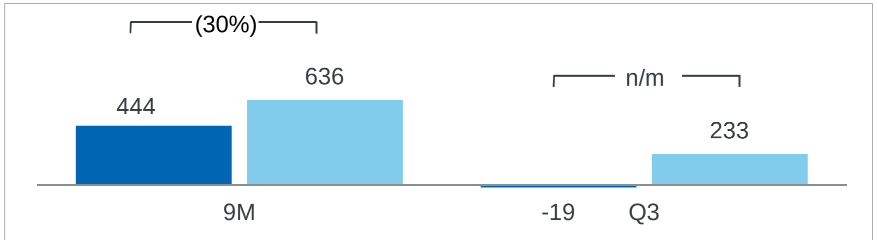
1 HDI Seguros S.A., Chile includes Magallanes Generales; merged with HDI Seguros S. A. on 1 April 2016
2 Incl. InChiaro (P/C); merged with HDI Italy on 29 June 2017; numbers for 2016 are as-if-numbers

1 9M 2017 results – Key financials

Operating result (EBIT)



Group net income



RoI in %

	2017	2016
9M	3.9	3.5
Q3	4.4	3.6

RoE in %

	2017	2016
9M	6.6	9.8
Q3	-0.9	10.5

- 9M 2017 investment result increased significantly by +11%; ordinary and extraordinary result up; the latter benefited mainly from higher realised gains in Retail Germany Life and P/C Reinsurance
- 9M 2017 EBIT down y/y, reflecting the deterioration in net underwriting result. “Other result“ improved. Q3 2017 EBIT close to zero

- Retail Germany P/C and Retail International with markedly increase in their 9M 2017 and Q3 2017 EBIT
- Net income down by -30% y/y, but significantly positive. Small net loss in Q3 2017. Low tax rate of +19% results from tax benefits from previous years in Retail Germany, below-average tax rates in international businesses and virtually tax-free equity gains in P/C Reinsurance

EURm, IFRS **2017** **2016**

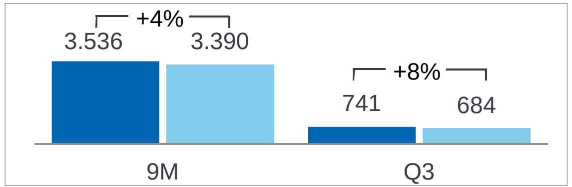
Net income down y/y following the deterioration in net underwriting result

1 9M 2017 – Divisional contribution to change in Group net income

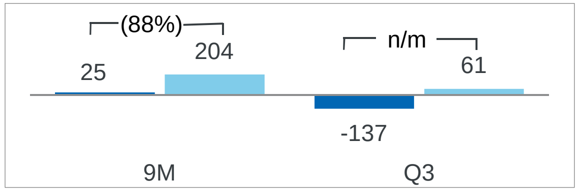
Net income improvement in Retail Germany and Retail International more than offset by large-loss burden in Industrial Lines and in Reinsurance

2 Segments – Industrial Lines

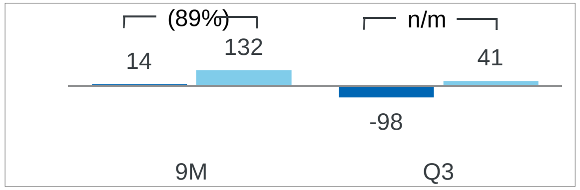
GWP



Operating result (EBIT)



Group net income



Retention rate in %

	9M		Q3	
	54.4	52.9	54.8	53.7

Combined ratio in %

	9M		Q3	
	110.1	98.0	135.0	98.4

RoE (ann.) in %

	9M		Q3	
	0.8	8.2	-17.9	7.6

- Strong underlying growth from international markets, e.g. Asia, Australia, France and UK. 9M 2017 curr.-adj. GWP growth of +4.4% y/y
- Positive impact from takeover of Motor fleet business of Retail Germany, broadly compensated by disposal effect of Norwegian Marine portfolio
- Further increase in retention, mainly resulting from Liability lines and higher portfolio share in Motor

- 9M 2017 combined ratio significantly increased due to large losses in NatCat. Also some burden from above-average frequency losses
- Cost ratio slightly improved
- Q3 2017 with negative EBIT contribution

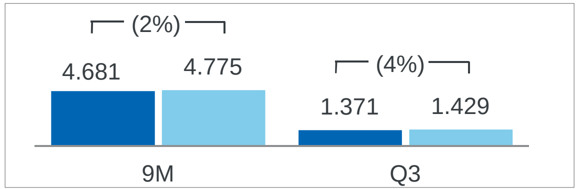
- 9M 2017 investment result improved. Ordinary investment result up, supported by a positive impact from equities and real estate investments. Extraordinary investment result supported by gains from equities and lower writedowns
- Lower tax rate due to above-average contribution from lower-taxed entities, already reported earlier this year
- Group net income positive in 9M 2017

EURm, IFRS ■ **2017** ■ **2016**

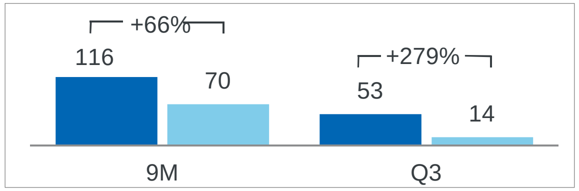
9M 2017 results severely impacted by NatCat events in Q3 2017

2 Segments – Retail Germany Division

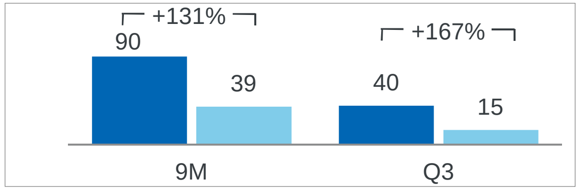
GWP



Operating result (EBIT)



Group net income



Retention rate in %

	2017	2016
9M	95.2	95.5
Q3	95.1	95.4

Combined ratio in %

	2017	2016
9M	100.3	103.2
Q3	98.1	100.3

RoE (ann.) in %

	2017	2016
9M	4.8	1.9
Q3	6.3	2.2

- Pleasing GWP growth in P/C segment, with the fourth quarterly growth in a row. At the same time, GWP reduction in the Life segment. In sum, 9M 2017 GWP slightly down
- Net underwriting in P/C markedly improved, more than offset by the decline in Life - the latter driven by higher RfB contribution mirroring the funding of the ZZR and by the policyholder participation in tax benefits. In total, net underwriting result down -6%

- Impact from KuRS costs affected the division in total by EUR 37m in 9M 2017 (9M 2016: 75m), the impact on EBIT was EUR 28m, significantly below the level of 9M 2016 (EUR 52m)
- As already mentioned in 6M 2017, EBIT was also burdened by the higher RfB allocation due to the pass-through of tax benefits to policyholders in Life. Nevertheless, divisional EBIT was up significantly due to the improved profitability in P/C business

- Divisional net income significantly up, predominantly reflecting the strong improvement in operating performance in P/C
- Significantly higher divisional RoE underpins that Retail Germany is well on track to increase profitability as targeted

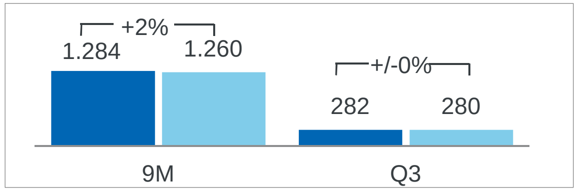
EURm, IFRS ■ **2017** ■ **2016**

P/C segment re-confirms return to growth mode – Profitability in division significantly up

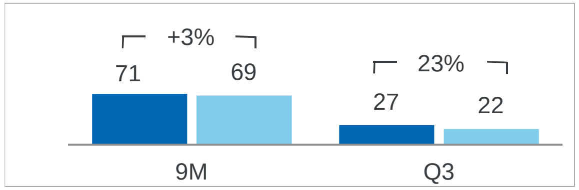
talanx.

Segments – Retail Germany P/C

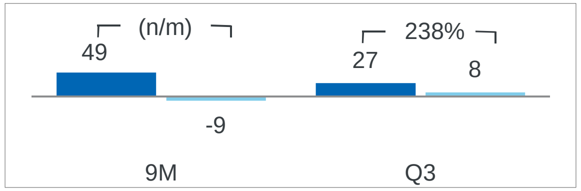
GWP



Investment income



Operating result (EBIT)



Retention rate in %

	2017	2016
9M	94.9	95.7
Q3	95.3	96.5

Combined ratio in %

	2017	2016
9M	100.3	103.2
Q3	98.1	100.3

EBIT margin in %

	2017	2016
9M	4.6	(0.9)
Q3	7.5	2.1

- GWP up in 9M 2017 - despite the shift of fleet business towards Industrial Lines (~EUR 26m impact, or 2.1%pts)
- Growth contribution from business with SMEs/self-employed professionals, digital motor business as well as from bancassurance continued also in Q3
- Retail Germany P/C with top-line growth in the last four consecutive quarters

- Combined ratio further improved due to better claims experience, incl. lower NatCat losses; partly compensated by a higher cost ratio from the portfolio shift towards Non-Motor P/C as well as bancassurance; operating cost ratio reduced
- 9M 2017 combined ratio impacted by EUR 26m costs for KuRS programme (9M 2016: EUR 30m). Adjusting for this effect, 9M 2017 combined ratio continued to decline to 97.8% (9M 2016: 100.4%)

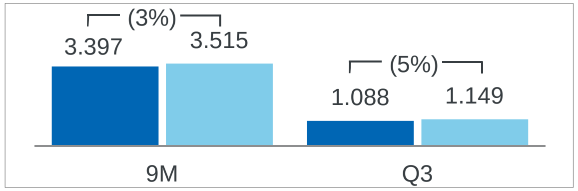
- 9M 2017 investment result up despite the slight decline in ordinary investment result
- Significantly positive EBIT development – due to improvement in underwriting result and in the “other result”. Please note that 9M 2016 had been burdened by ~EUR 20m KuRS restructuring provisions for personnel redundancies

EURm, IFRS ■ **2017** ■ **2016**

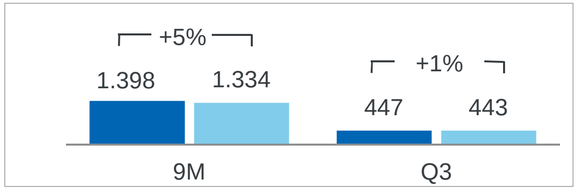
Significant EBIT improvement due to top-line growth, lower KuRS costs and improvement in underlying combined ratio

2 Segments – Retail Germany Life

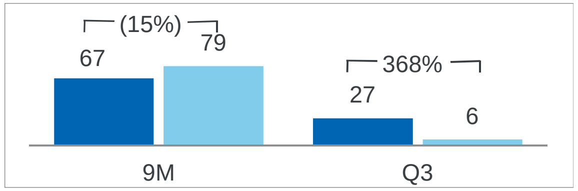
GWP



Investment income



Operating result (EBIT)



Retention rate in %

	2017	2016
9M	95.3	95.5
Q3	95.0	95.1

RoI in %

	2017	2016
9M	4.1	4.0
Q3	3.9	3.8

EBIT margin in %

	2017	2016
9M	2.7	3.1
Q3	3.4	0.7

- Life GWP with further decline due to the well-known phase-out of non-capital efficient Life products mainly in single-premium business, but also due to above-average expiry of Life insurance contracts; premiums in credit-life business and biometric products further up

- 9M 2017 investment result up, due to higher extraordinary gains, mainly to finance the ZZR. Ordinary result is ~3.7% below the level of 9M 2016
- 9M 2017 ZZR allocation – according to HGB – of EUR 598m. Total ZZR stock reached EUR 2.9bn, expected to rise to EUR 3.1bn until year-end 2017
- Underwriting result down by -9% mirroring the policyholder participation in investment gains and tax benefits

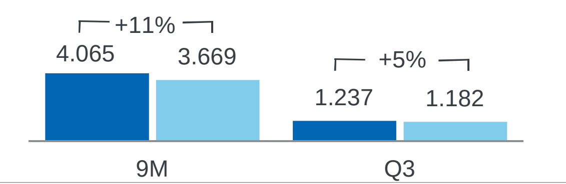
- EUR 9m cost impact from KuRS – significantly lower compared to 9M 2016 (EUR 23m), but virtually irrelevant for the EBIT (due to policyholder participation)
- As already reported for 6M 2017 results, EBIT is negatively affected by a higher RfB allocation from a pass-through of tax benefits to policyholders that at the same time have a small positive net effect on net income

EURm, IFRS ■ **2017** ■ **2016**

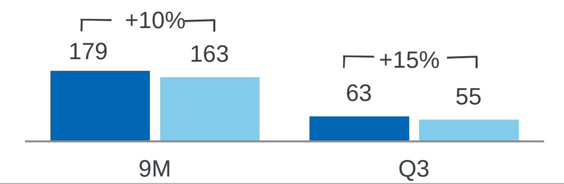
Profitability focus explains decline in non-capital efficient business – underlying profitability improved

2 Segments – Retail International

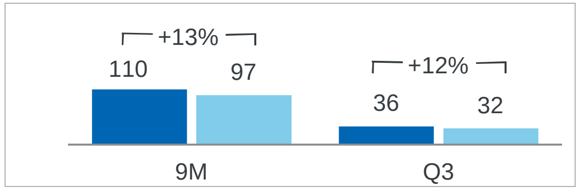
GWP



Operating result (EBIT)



Group net income



Retention rate in %

	9M		Q3	
	2017	2016	2017	2016
Retention rate in %	91.4	91.0	92.6	92.3

Combined ratio in %

	9M		Q3	
	2017	2016	2017	2016
Combined ratio in %	95.9	97.0	94.9	98.0

RoE (ann.) in %

	9M		Q3	
	2017	2016	2017	2016
RoE (ann.) in %	7.0	6.3	6.8	6.0

- 9M 2017 GWP up by +10.8%, slightly supported by currency tailwind, in Brazil and - to a minor extent - in Chile and Poland. Currency headwind in Turkey and Mexico (9M 2017 GWP curr.- adj.:+9.3%)
- All core markets with underlying y/y growth in 9M 2017 and Q3 2017. Segment GWP in Q3 2017 up by +4.6% (curr.adj.: +5.2%). Hardening of Motor market in Poland continues, supporting strong GWP growth in P/C (9M 2017: +16.4%; curr. adj. 14.5%)

- 9M 2017 combined ratio improved by 1.1%pts y/y. Higher loss ratio overcompensated by 2.2%pts lower cost ratio, resulting from e.g. optimisation measures in Brazil („GoDigital") and Poland, and from scale effects in Mexico
- 9M 2017 EBIT up by +9.9% y/y (Q3 2017: +14.6%), pre-dominantly driven by strong improvement in Poland and Mexico; EBIT growth momentum has increased in Q3 2017

- Positive contribution from newly consolidated CBA Vita. In sum, the consolidation of CBA Vita and deconsolidation of OpenLife with a net positive EURm effect (EBIT level)
- Group net income benefits both from the improved operating result and from the slightly lower tax rate

EURm, IFRS ■ **2017** ■ **2016**

Strong top-line growth in P/C accompanied by a significant improvement in profitability

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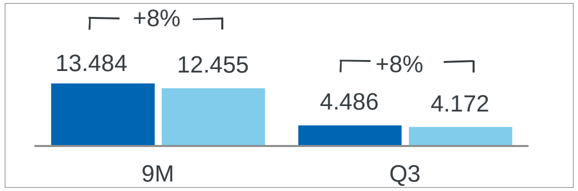
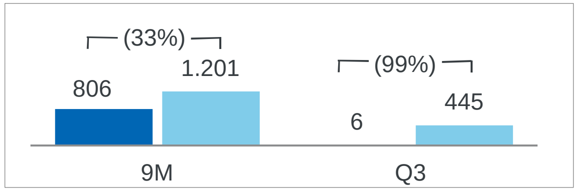
2 Segments – Reinsurance Division

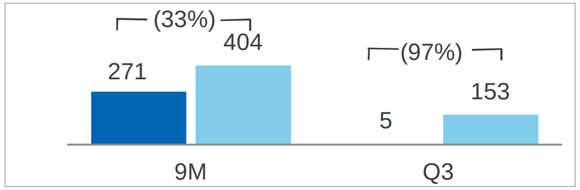
GWP



Operating result (EBIT)



Group net income



Retention rate in %

	2017	2016
9M	90.1	89.6
Q3	89.7	89.4

Combined ratio in %

	2017	2016
9M	104.3	95.1
Q3	118.2	94.5

RoE (ann.) in %

	2017	2016
9M	8.7	13.2
Q2	0.4	14.7

- 9M 2017 GWP growth of +8.3% y/y (curr.-adj.: +9.5%)
- Accelerated growth in P/C Reinsurance (curr.adj: +16.1%) driven by new business in Structured Reinsurance. In L/H Reinsurance, top line growth (curr.-adj.: +0.7%) in line with expectations
- Net premium is up by +7.2% on a reported basis and grewing +8.4% on a currency-adjusted basis

- EBIT is impacted by high frequency and severity of large losses, but aided by a strong investment result
- In P/C Reinsurance, combined ratio slightly inflated mainly due to higher share of Structured Reinsurance
- In L/H Reinsurance, continuously higher than expected claims from legacy US mortality. Strong earnings growth from Financial solutions business

- RoI significantly up. Increased realised gains due to sale of listed equities (EUR 226m)
- RoE only slightly below our minimum target

EURm, IFRS ■ **2017** ■ **2016**

Q3 losses absorbed within quarterly earnings - positive Q3 result supported by sale of listed equities

3 Net investment income

Net investment income Talanx Group

EUR m, IFRS	9M 2017	9M 2016	Change
Ordinary investment income	**2,518**	**2,441**	**+3%**
thereof current investment income from interest	2,025	2,055	(1%)
thereof profit/loss from shares in ass. companies	13	5	+160%
Realised net gains/losses on investments	889	547	+63%
Write-ups/write-downs on investments	(137)	(138)	(1%)
Unrealised net gains/losses on investments	45	59	(24%)
Investment expenses	(171)	(174)	(2%)
Income from investments under own management	**3,145**	**2,735**	**+15%**
Income from investment contracts	**(2)**	**7**	**n/m**
Interest income on funds withheld and contract deposits	**168**	**239**	**(30%)**
Total	**3,311**	**2,981**	**+11%**

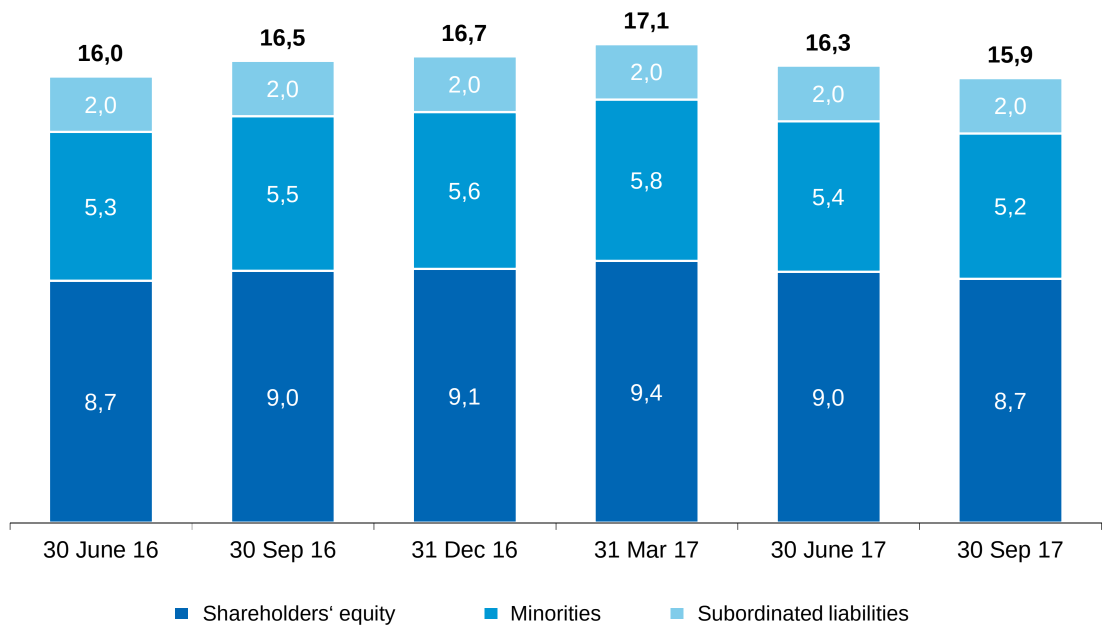
Comments

- Ordinary investment income up by +3%. Investment result from real estate and other alternative investments are a major driver, overcompensating the effects from the low-interest environment
- Realised net investment gains up by ~EUR 340m y/y to EUR 889m in 9M 2017, to a large extent used to finance ZZR. 9M 2017 ZZR allocation: EUR 598 vs. 9M 2016: EUR 502m. P/C Reinsurance with increased investment income from realisations
- 9M 2017 RoI up to 3.9% (9M 2016: 3.5%), also supported by EUR 226m capital gains from the disposal of the portfolio of listed equities in Reinsurance
- Significant decline in interest income on funds withheld and contract deposits due to the recapture of life reinsurance treaties

9M 2017 RoI of 3.9% significantly above FY2017 Outlook of „at least 3.0%“ – supported by above-average realised gains

3 Equity and capitalisation – Our equity base

Capital breakdown (EUR bn)

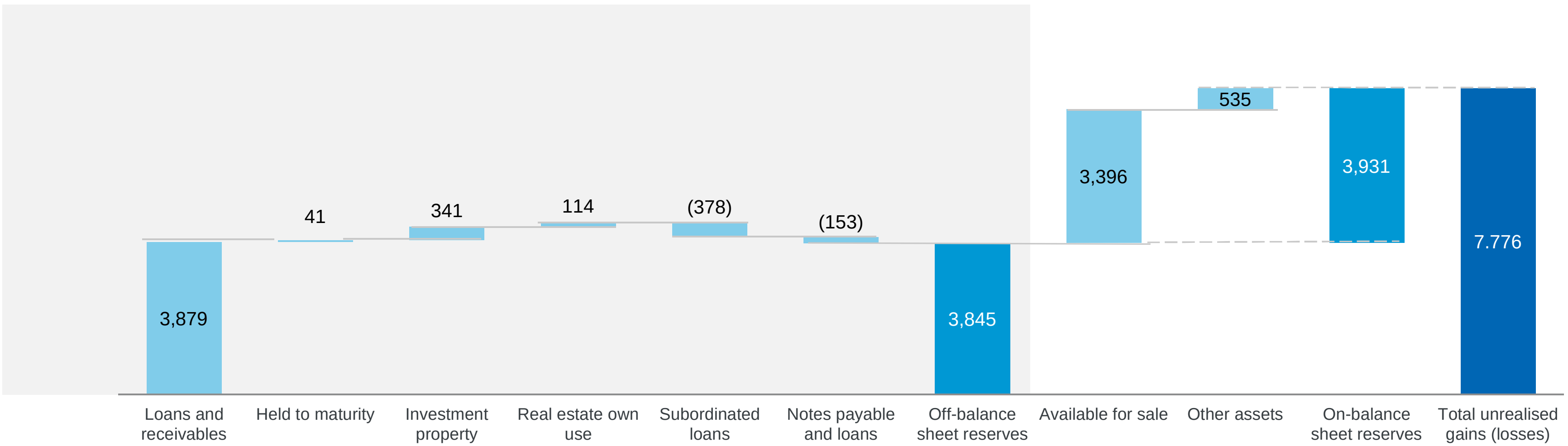


Comments

- Compared to the end of FY2016, shareholders' equity is down by EUR 361m to EUR 8,717m
- Book value per share was EUR 34.48 (FY2016: 35.91), NAV (excl. Goodwill) per share was EUR 30.33 (EUR 31.80)
- Off-balance sheet reserves amounted to EUR 208m (see next page), or EUR 0.82 per share (shareholder share only), neither included in book value nor in the NAV calculation

Shareholders' equity at EUR 8,717m, or EUR 34.48 per share

Unrealised gains and losses (off- and on-balance sheet) as of 30 September 2017 (EURm)



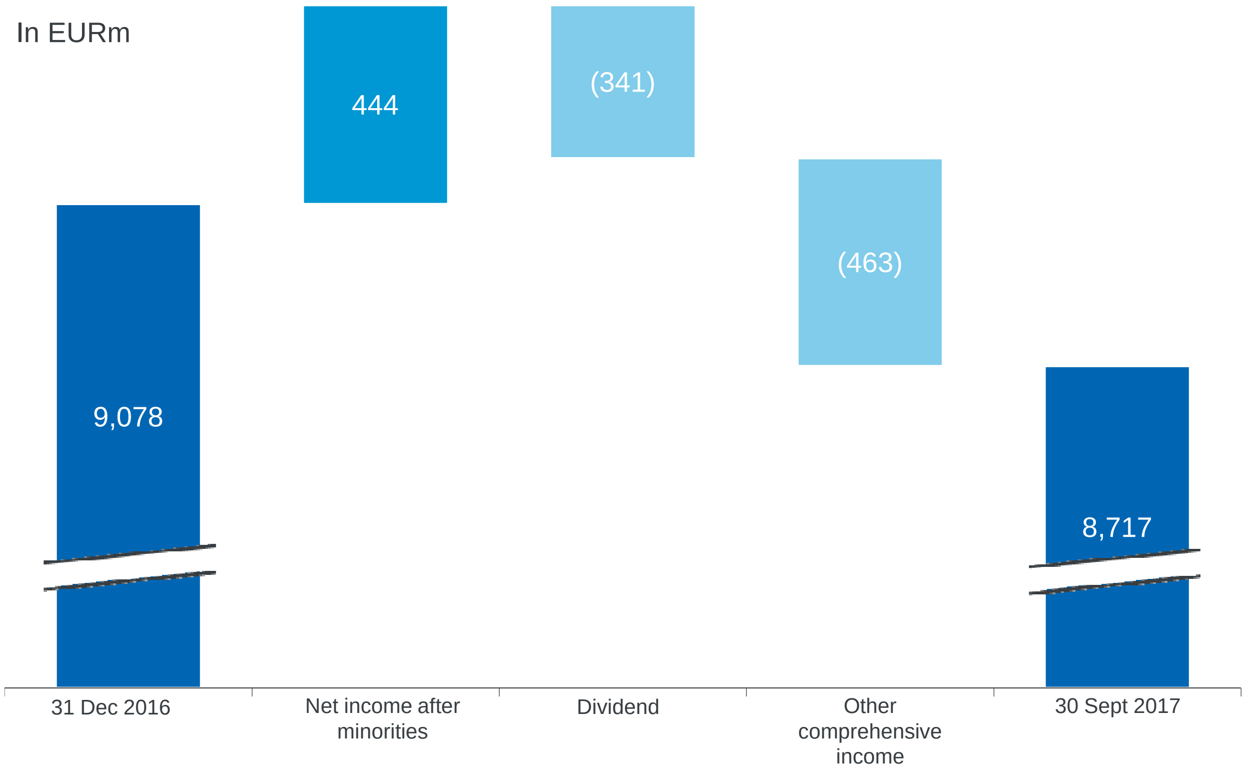
31 Dec 16	4,928	47	333	104	(296)	(168)	4,948	4,191	528	4,718	9,666

Δ market value vs. book value

Note: Shareholder contribution estimated based on FY2015 profit sharing pattern

Off-balance sheet reserves of ~ EUR 3.8bn – EUR 208m (EUR 0.82 per share) attributable to shareholders (net of policyholders, taxes & minorities)

3 Equity and capitalisation – Contribution to change in equity



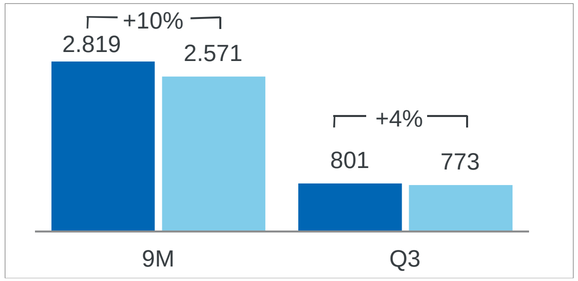
Comments

- At the end of 9M 2017, shareholders' equity stood at EUR 8,717m, or EUR ~360m below the level of FY2016
- The reduction was due to the decline in OCI and the dividend payout in May 2017; these two effects could only be partially compensated by the net income contribution (EUR 443m)
- The decline in OCI results from currency and from interest rate effects
- At the end of 6M 2017, the Solvency II Ratio (Solvency II view, HDI Group level) stood at 197% (FY2016: 186%) excl. the effect of transitional measures
- Despite the Q3 NatCat losses, we expect a rather robust reaction of the 9M Solvency II ratio

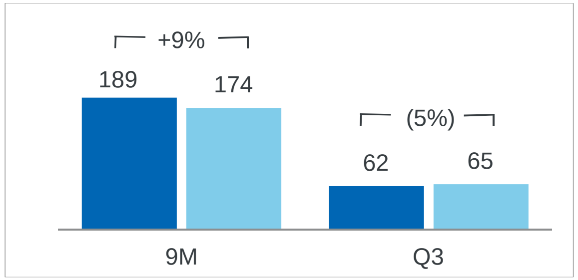
Shareholders' equity is down by EUR ~360m vs. FY2016 – negative impact from OCI, mainly reflecting currency effects

5 9M 2017 Additional Information – Retail International Europe: Key financials

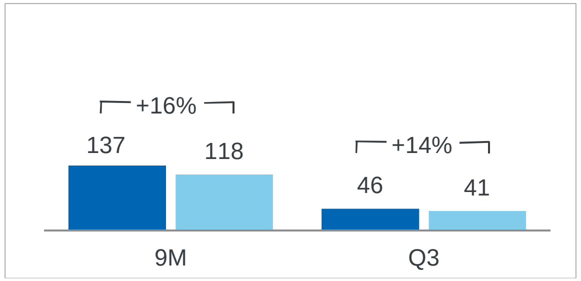
GWP



Investment income

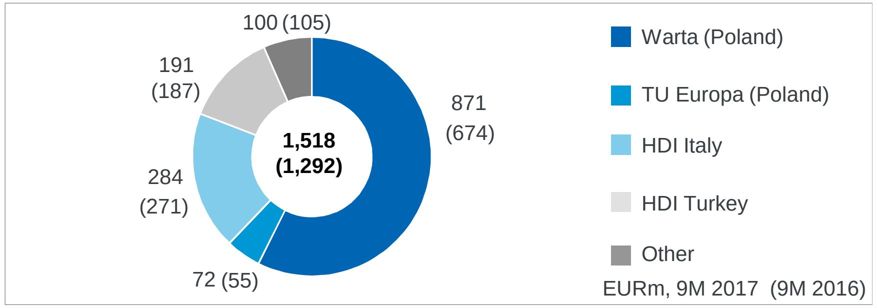


Operating result (EBIT)

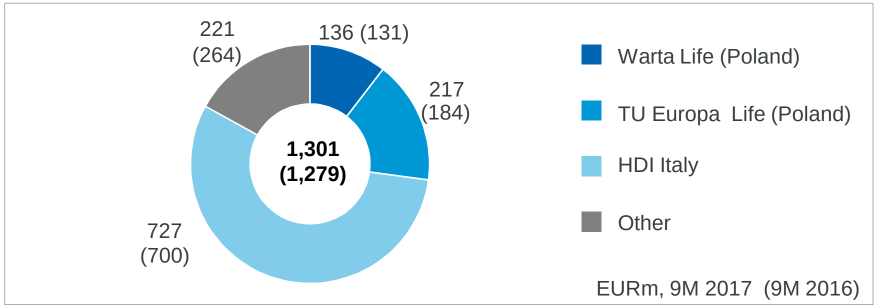


EURm, IFRS **2017** **2016**

GWP split by carriers (P/C)



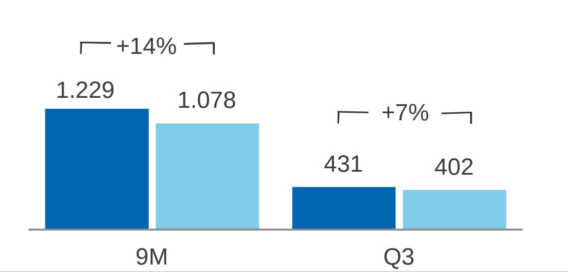
GWP split by carriers (Life)



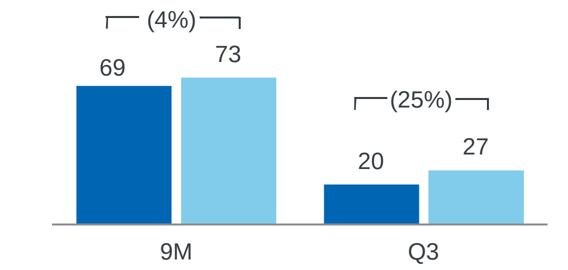
Strong improvement on top-line and on EBIT level – Poland benefits from hard cycle in Motor market

9M 2017 Additional Information – Retail International LatAm: Key financials

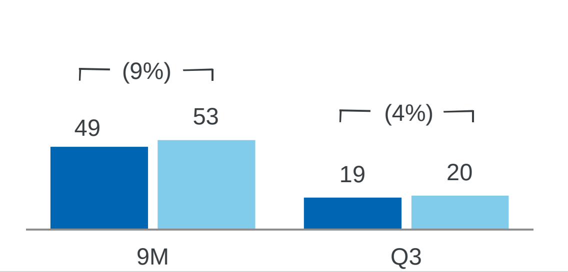
GWP



Investment income

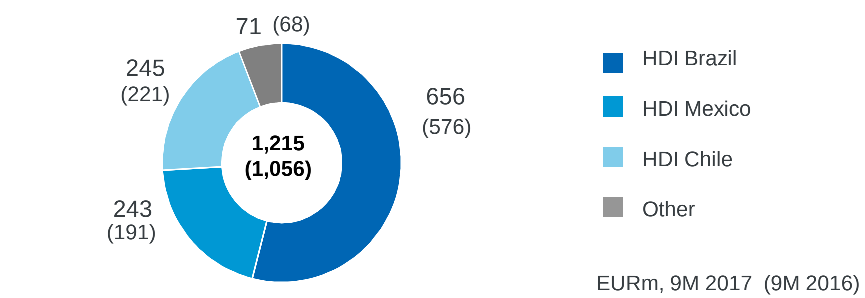


Operating result (EBIT)



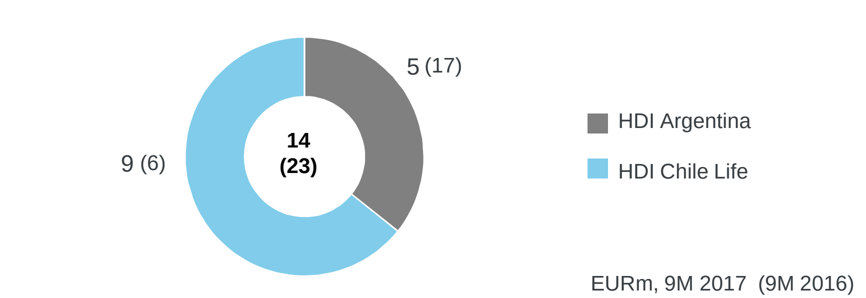
EURm, IFRS **2017** **2016**

GWP split by carriers (P/C)



EURm, 9M 2017 (9M 2016)

GWP split by carriers (Life)

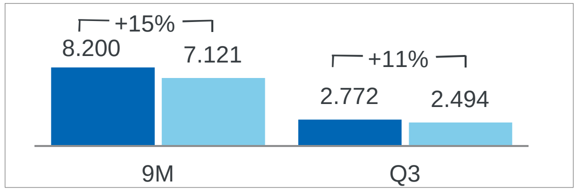


EURm, 9M 2017 (9M 2016)

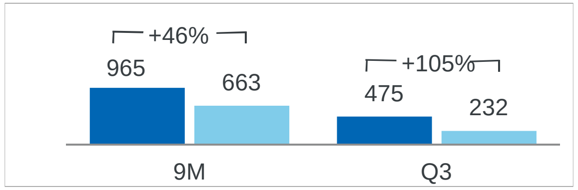
Strong top-line growth – EBIT decline fully explained by a negative one-time base effect in Brazil in 9M 2016

5 9M 2017 Additional Information – Segment P/C Reinsurance

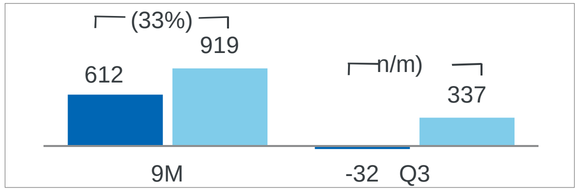
GWP



Investment income



Operating result (EBIT)



Retention rate in %

	9M		Q3	
	89.2	88.3	88.8	88.5

Combined ratio in %

	9M		Q3	
	104.3	95.1	118.2	94.5

EBIT margin in %[1]

	9M		Q3	
	9.1	15.5	(1.3)	16.1

- 9M 2017 GWP up by +15.2% y/y (curr.-adj.:+16.1%); growth mainly from Structured Reinsurance; diversified growth in other areas
- Net premium earned grew by +14.0% (curr.-adj.:+14.9%)

- Major losses of EUR 894m (13.2% of net premium earned) exceeded the budget by EUR 271m (or 4%pts)
- No changes in Ogden reserving (EUR 291m compensated by IBNR reserves). Reserve redundancies unchanced at Q2 level
- Investment income positively inpacted by realisation of valuation reserves in equities of EUR 226m

- Other income and expenses mainly impacted by negative currency effects
- 9M 2017 EBIT margin[1] of 9.1% (9M 2016: 15.5%) below target of 10%
- Low tax ratio due to tax-reduced gains from disposal of listed equities

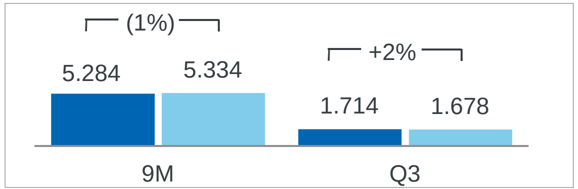
[1] EBIT margin reflects a Talanx Group view

EURm, IFRS **2017** **2016**

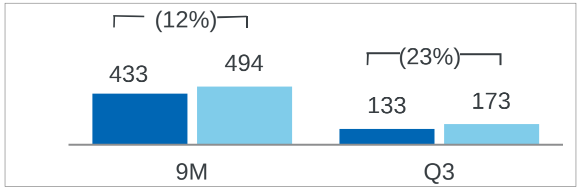
EBIT margin of 9.1% despite NatCat frequency – Moderate underwriting loss, mitigated by favorable investment income

9M 2017 Additional Information – Segment Life/Health Reinsurance

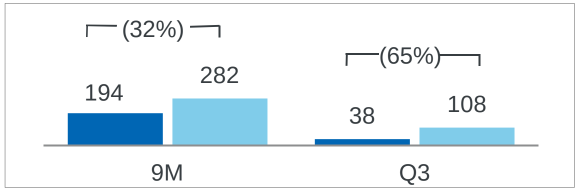
GWP



Investment income



Operating result (EBIT)



Retention rate in %

	9M	Q3
2017	91.5	91.2
2016	91.5	90.8

RoI in %

	9M	Q3
2017	4.0	3.9
2016	4.0	4.9

EBIT margin in %[1]

	9M	Q3
2017	4.0	2.3
2016	5.8	7.2

- 9M 2017 GWP down by -0.9% (curr.-adj.:+0.7%); reduced premium volume from large-volume treaties partly offset by diversified growth in other areas
- Net premium earned down by -1.1% (curr.-adj.: +0.3%)

- Technical resul impacted by legacy US mortality business as well as recapture in Q3 2017
- Favourable investment income

- Increased other income and expenses due to strong contribution from deposit accounted treaties (9M 2017: EUR 139m)
- 9M 2017 EBIT margin[1] of 4.0% (9M 2016: 5.8%)

[1] EBIT margin reflects a Talanx Group view

EURm, IFRS **2017** **2016**

Profitability in Life/Health segment negatively impacted by US mortality

5 9M 2017 Additional Information – Segments

EURm, IFRS	Industrial Lines 9M 2017	Industrial Lines 9M 2016	Industrial Lines Change	Retail Germany P/C 9M 2017	Retail Germany P/C 9M 2016	Retail Germany P/C Change	Retail Germany Life 9M 2017	Retail Germany Life 9M 2016	Retail Germany Life Change
P&L									
Gross written premium	3,536	3,390	+4%	1,284	1,260	+2%	3,397	3,515	(3%)
Net premium earned	1,764	1,630	+8%	1,049	1,049	+0%	2,493	2,557	(3%)
Net underwriting result	(179)	33	n/m	2	(33)	n/m	(1,310)	(1,206)	n/m
Net investment income	203	165	+23%	71	69	+3%	1,398	1,334	+5%
Operating result (EBIT)	25	204	(88%)	49	(9)	n/m	67	79	(15%)
Net income after minorities	14	132	(89%)	n/a	n/a	n/m	n/a	n/a	n/m
Key ratios									
Combined ratio non-life insurance and reinsurance	110.1%[1]	98.0%	12.1%pts	100.3%[2]	103.2%	(2.9%)pts	-	-	-
Expense ratio	22.1%	22.4%	(0.3%)pts	36.1%	34.9%	1.2%pts	-	-	-
Loss ratio	88.1%	75.6%	12.5%pts	64.1%	68.3%	(4.2%)pts	-	-	-
Return on investment	3.5%	2.8%	0.7%pts	2.4%	2.4%	0.0%pts	4.1%	4.0%	0.1%pts

1 Q3 2017 combined ratio: 135.0% (Q3 2016: 98.4%), expense ratio: 23.7% (24.0%), loss ratio: 111.2% (74.4%)
2 Q3 2017 combined ratio: 98.1% (Q3 2016: 100.3%), expense ratio: 35.4% (34.2%), loss ratio: 62.7% (66.1%)

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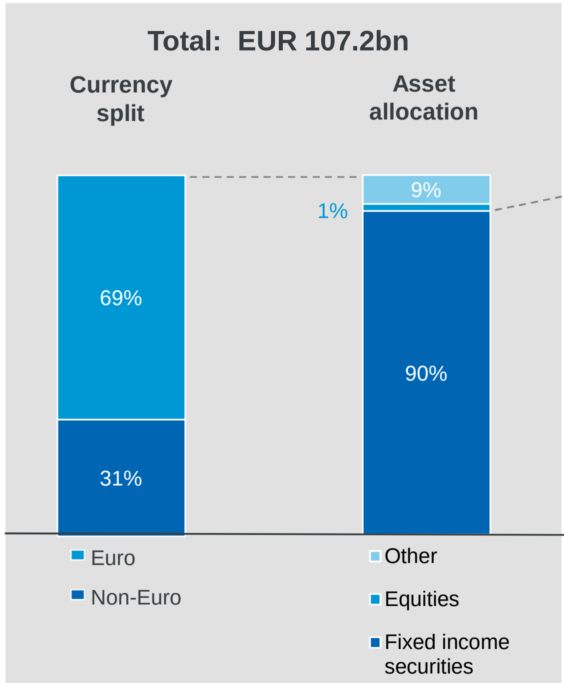
5 9M 2017 Additional Information – Segments

	Retail International			P/C Reinsurance			Life/Health Reinsurance			Group		
EURm, IFRS	9M 2017	9M 2016	Change	9M 2017	9M 2016	Change	9M 2017	9M 2016	Change	9M 2017	9M 2016	Change
P&L												
Gross written premium	4,065	3,669	+11%	8,200	7,121	+15%	5,284	5,334	(1%)	25,239	23,749	+6%
Net premium earned	3,422	3,099	+10%	6,754	5,925	+14%	4,787	4,841	(1%)	20,284	19,134	+6%
Net underwriting result	31	(3)	n/m	(306)	274	n/m	(363)	(237)	n/m	(2,120)	(1,168)	n/m
Net investment income	255	244	+5%	965	663	+46%	433	494	(12%)	3,311	2,981	+11%
Operating result (EBIT)	179	163	+10%	612	919	(33%)	194	282	(31%)	1,104	1,651	(33%)
Net income after minorities	110	97	+13%	n/a	n/a	n/m	n/a	n/a	n/m	444	636	(30%)
Key ratios												
Combined ratio non-life insurance and reinsurance	95.9%[1]	97.0%	(1.1%)pts	104.3%[2]	95.1%	9.2%pts	-	-	-	103.1%[3]	96.6%	6.5%pts
Expense ratio	29.0%	31.1%	(2.1%)pts	28.1%	27.6%	0.5%pts	-	-	-	28.0%	28.2%	(0.2%)pts
Loss ratio	67.0%	65.8%	1.2pts	76.5%	67.7%	8.8%pts	-	-	-	75.2%	68.6%	6.6%pts
Return on investment	3.6%	3.7%	(0.1%)pts	4.0%	2.8%	1.2%pts	4.0%	4.0%	0.0%pts	3.9%	3.5%	0.4%pts

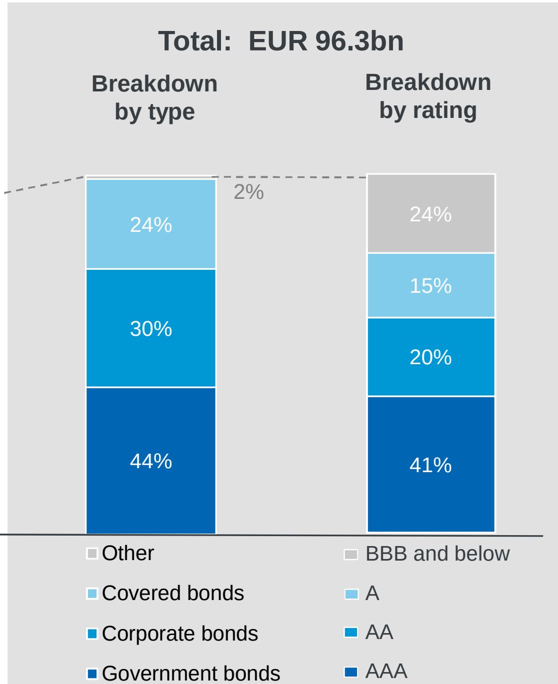
1 Q3 2017 combined ratio: 94.9% (Q3 2016: 98.0%), expense ratio: 27.7% (30.6%), loss ratio: 67.2% (67.4%)
2 Q3 2017 combined ratio: 104.3% (Q3 2016: 95.1%), expense ratio: 28.1% (27.6%), loss ratio: 76.5% (67.7%)
3 Q3 2017 combined ratio: 114.4% (Q3 2016: 96.4%), expense ratio: 27.3% (28.1%), loss ratio: 87.4% (68.5%)

5 9M 2017 Additional Information – Breakdown of investment portfolio

Investment portfolio as of 30 Sept 2017



Fixed-income-portfolio split



Comments

- Investments under own management of 107.2bn unchanged vs. FY2016 and slightly up vs. 6M 2017 (EUR 106.6bn)
- Investment portfolio remains dominated by fixed-income securities: portfolio share of 90% broadly unchanged (FY2016: 90%; Q2 2017: 89%)
- Share of fixed-income portfolio invested in “A” or higher-rated bonds unchanged vs. FY 2016 at 76%
- 19% of “investments under own management” held in USD, 31% overall in non-euro currencies (FY2016: 33%)

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

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5 9M 2017 Additional Information – Details on selected fixed-income country exposure

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

Country	Rating	Sovereign	Semi-Sovereign	Financial	Corporate	Covered	Other	Total
Italy	BBB	2,221	-	629	597	432	-	**3,879**
Spain	BBB+	719	423	200	437	270	-	**2,049**
Brazil	BB	249	-	79	327	-	6	**662**
Mexico	BBB+	135	4	38	227	-	-	**404**
Hungary	BBB-	478	-	0	9	23	-	**510**
Russia	BB+	195	12	44	179	-	-	**430**
South Africa	BBB-	135	2	9	62	-	5	**213**
Portugal	BB+	45	-	6	77	37	-	**166**
Turkey	BB+	16	-	25	18	3	-	**62**
Greece	CCC	-	-	-	-	-	-	**-**
Other BBB+		14	-	28	63	-	-	**105**
Other BBB		96	44	63	50	-	-	**252**
Other <BBB		195	17	79	172	-	259	**721**
Total		**4,497**	**502**	**1,200**	**2,217**	**766**	**270**	**9,453**
In % of total investments under own management		4.2%	0.5%	1.1%	2.1%	0.7%	0.3%	**8.8%**
In % of total Group assets		2.9%	0.3%	0.8%	1.4%	0.5%	0.2%	**6.0%**

[1] Investment under own management

5 9M 2017 Additional Information – Solvency II capital

Solvency II capitalisation within target range

Note: Solvency II ratio relates to HDI V.a.G. as the regulated entity.The chart does not contain the effect of transitional measures.
Solvency II ratio including transitional measures for FY2016 was at 236% (9M 2017: 237%)

5 Financial Calendar and Contacts

- **19 March 2018**
  Annual Report 2017
- **8 May 2018**
  Annual General Meeting
- **11 May 2018**
  Quarterly Statement as at 30 March 2018

From left to right: Alexander Grabenhorst (*Equity & Debt IR*), Anna Färber (*Team Assistant),* Carsten Werle (*Head of IR),* Wiebke Großheim (*Roadshows & Conferences, IR webpage),* Hannes Meyburg (*Ratings);* Alexander Zessel (*Ratings*), *Marcus* Sander (*Equity & Debt IR);* not in the picture: Nicole Tadje (Strategic IR & Projects)

Talanx AG
Riethorst 2
30659 Hannover
+49 511 / 3747 - 2227
ir@talanx.com

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